

**COUNTY OF SAN BERNARDINO**

**2004-05  
FINAL BUDGET**

**Supervisor Bill Postmus, Vice Chair ..... First District**  
**Supervisor Paul Biane..... Second District**  
**Supervisor Dennis Hansberger, Chair ..... Third District**  
**Supervisor Patti Aguiar ..... Fourth District**  
**Supervisor Clifford Young ..... Fifth District**

**Mark H. Uffer, County Administrative Officer**  
**Larry Walker, Auditor/Controller-Recorder**



MARK H. UFFER  
County Administrative Officer

## COUNTY OF SAN BERNARDINO

County Administrative Office  
385 North Arrowhead Avenue  
San Bernardino, CA 92415-0120  
(909) 387-5418  
FAX: (909) 387-5430

## BOARD OF SUPERVISORS

Bill Postmus, Vice Chair ..... *First District*  
Paul Biane ..... *Second District*  
Dennis Hansberger, Chair ..... *Third District*  
Patti Aguiar ..... *Fourth District*  
Clifford O. Young ..... *Fifth District*

The Honorable Board of Supervisors  
County of San Bernardino  
San Bernardino, California

The Board adopted the final budget for 2004-05 on June 22, 2004.

As has been the case for the past couple of years, the County of San Bernardino had to build its budget while facing the potential of significant state budget reductions. This being the third year of these financial conditions, the county experienced a complex budget year requiring difficult decisions by the Board due to a continued reduction of available resources.

The struggles and efforts of county departments and the Board produced an adopted 2004-05 budget that stands as a fiscally sound spending plan. The 2004-05 budget provides for the operational needs of county departments, increases the county's general purpose reserve, and sets aside a significant amount of contingencies for uncertainties that the county may face during the current year and next fiscal year.

The key elements of this 2004-05 budget include:

### **4% and 9% Cost Reductions**

While building the 2004-05 budget, the County Administrative Office incorporated a reduction plan into the general fund departmental local cost allocations. This action was taken as a means to better position the county for the impacts of the state budget, which, when presented in January painted an ominous picture for local government, especially counties. Most general fund departments receiving local cost were affected by the reductions. However, departmental mandated costs were exempted. For most departments, the reduction percentage was 9% of local cost. For various law and justice departments the percentage reduction was 4%, reflecting the county's commitment to public safety. These reductions were incorporated into the development of the proposed budget submitted by the departments in April and produced \$13.2 million in savings.

When the state submitted its revised budget in May, known as the "May Revise", the reductions to local governments were more evenly allocated, which meant county reductions decreased significantly. Since the County of San Bernardino was prepared for the worst, this good news enabled the county to restore some of the reductions built in the 2004-05 proposed budget. As a result, the Board of Supervisors restored half of the law and justice reductions and various departmental policy items.

### **Contingencies & Reserves**

The Board also prudently set aside \$106.3 million in contingencies to mitigate the impact of uncertainties presented by the state's financial picture, increases due to negotiated employee MOUs, increases in retirement, and increases in insurance costs. This broke down to \$92.8 million of available financing for uncertainties, \$7.9 million for future retirement costs, and \$5.6 million as required by Board policy, which requires that 1.5% of budgeted locally funded appropriations must be set aside in contingencies.

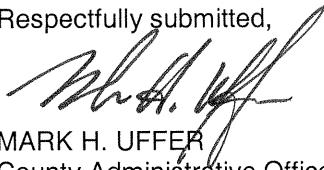
*The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.*

In addition, the Board contributed \$2.4 million to the general purpose reserve in 2003-04, bringing the total to \$37.2 million (10% of locally funded appropriations). Contingencies and reserves serves as an insurance policy to safeguard essential programs should the county experience an economic downturn.

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In summary, the 2004-05 final budget demonstrates the Board's continual commitment to responsible fiscal management and a fair, cost-effective government for the citizens of San Bernardino County. While there are still issues the county must face in the future, this budget is a further step forward, and one in which the Board can take pride. It is also a budget that places the county in a good position to meet the challenges sure to be presented in future budget years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark H. Uffer', is written over the printed name.

MARK H. UFFER  
County Administrative Officer

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## **COUNTY OF SAN BERNARDINO**

The Board of Supervisors adopted the County of San Bernardino's 2004-05 Budget on June 22, 2004. This budget covers the period from July 1, 2004 – June 30, 2005. Each department is responsible for operating within their budget and has the authority to spend up to the approved budget amount.

The County of San Bernardino's 2004-05 Final Budget consisting of the general fund, capital project funds, special revenue funds, and enterprise funds has a total appropriation of \$2.8 billion.

When developing their individual budgets, each department considers the following mission, vision, and value statements of the County of San Bernardino:

### **Mission Statement**

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.

### **Vision Statement**

Our vision is to create a safe, clean, and healthy environment that appeals to families and individuals, and attracts the best in business and industry. We will create, support, and enhance vibrant communities that emphasize beauty, culture, art, recreation, education, and a sense of history.

### **VALUES Statement**

To achieve our Vision, we dedicate ourselves to these values:

- **Valuing our workforce** by providing recognition, training and education, opportunities for customer service and career development, a safe and healthy work environment and fair compensation.
- **Appreciation and promotion** of the diverse cultures that comprise our workforce and the communities we serve.
- **Leadership** by coordinating regional planning through collaboration with local communities and businesses.
- **Unquestioned integrity** that embraces a culture of honor and trustworthiness.
- **Excellence** in the development of efficient and cost-effective strategies to improve customer service in an atmosphere that allows and encourages new ideas.
- **Service** of the highest quality to our customers delivered with dignity and respect.

### **General Fund Budget Process**

The County Administrative Office has the responsibility of developing the county financing plan for all general fund departments. This plan begins with reviewing the two restricted financing sources, Prop. 172 and realignment. Prop. 172 assists in financing the Sheriff, District Attorney, and Probation departments. Realignment assists in financing the general fund departments of the Human Services System, Behavioral Health, and Public Health. If these financing sources are not sufficient to pay for those departments' costs, then the general fund sources are considered.

The 2004-05 financing plan included a total of \$372.1 million in ongoing discretionary revenue for the general fund. This revenue is comprised of property taxes, vehicle license fees, interest on the county investment pool, sales tax, and other taxes. Mandatory costs such as previously negotiated salary increases, previous year's Board approved costs, and other mandated costs are first financed by the discretionary revenue. After the mandatory costs are





financed, the remaining unallocated discretionary revenue is presented to the Board of Supervisors during the budget workshop for approval of distribution.

This year, the County Administrative Office incorporated a reduction plan into the general fund departmental local cost allocations. This action was taken as a means to better position the county for the impacts of the state budget, which, when presented in January painted an ominous picture for local government, especially counties. Most general fund departments receiving local cost were affected by the reductions. However, departmental mandated costs were exempted. For most departments, the reduction percentage was 9% of local cost. For various law and justice departments the percentage reduction was 4%, reflecting the county's commitment to public safety. These reductions were incorporated into the development of the proposed budget.

A budget workshop was held May 24<sup>th</sup> through 26<sup>th</sup>, 2004, to discuss each department's proposed budget. Each department submitted a proposed budget based on the general fund financing amount allocated to them and their own departmental revenues. At this time, departments also requested fee adjustments and/or policy items, which include funding requests for those workload and program changes that were unable to be financed in their proposed budget, including restoration of state budget reductions mentioned above.

During the May budget workshop, the County Administrative Office recommended to restore some of the policy item requests and recommended to approve all fee requests. Additionally, the Board of Supervisors made requests that certain items be added to the recommended listing and requested the County Administrative Office to review other areas that either needed to be funded or potential areas to reduce costs for inclusion in the 2004-05 budget. A follow up workshop was held on June 8, 2004 for this purpose.

On June 8, 2004, discussion was held related to modifications to the policy item and fee request recommendations made at the May workshops. These modifications were made based on the County Administrative Office continued analysis of several departmental policy requests.

A budget and fee hearing was held on June 14, 2004, for public input on the county budget and fee ordinance changes and to obtain Board approval on the 2004-05 final budget. The Board adopted the 2004-05 final budget on June 22, 2004.

The following worksheets describe in detail what was approved at the budget workshops, the follow up budget workshop, the budget and fee hearings, and the adoption of the final budget.



## BOARD APPROVED CHANGES TO THE PROPOSED BUDGET WORKBOOK

	<u>Approp</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Add'l Staff</u>
<i>Fee Adjustments:</i>				
<b><u>Assessor</u></b>	220,912	220,912	-	2.0
<b><u>Auditor/Controller-Recorder</u></b>	-	207,974	(207,974)	-
<b><u>County Counsel</u></b>	445,000	495,000	(50,000)	5.0
<b><u>County Library</u></b>	93,400	93,400	-	-
<b><u>County Museum</u></b>	10,000	10,000	-	0.5
<b><u>Land Use Services Department-Code Enforcement</u></b>	7,690	7,690	-	-
<b><u>Land Use Services Department-Current Planning</u></b>	86,581	168,864	(82,283)	1.0
<b><u>Land Use Services Department-Fire Hazard Abatement</u></b>	134,900	134,900	-	
<b><u>Public Administrator/Guardian/ Conserv/Coroner</u></b>	15,600	15,600	-	-
<b><u>Probation</u></b>	82,414	82,414	-	-
<b><u>Public Health</u></b>	577,869	577,869	-	7.8
<b><u>Public Works - Solid Waste Management Division</u></b>	859,383	859,383	-	-
<b><u>Registrar of Voters</u></b>	88,744	88,744	-	1.7
<b><u>Treasurer-Tax Collector</u></b>	15,000	15,000	-	-
<i>Total Fee Adjustments</i>	<u>2,637,493</u>	<u>2,977,750</u>	<u>(340,257)</u>	<u>18.0</u>



## BOARD APPROVED CHANGES TO THE PROPOSED BUDGET WORKBOOK

	<u>Approp</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Add'l Staff</u>
<i>Policy Items Approved:</i>				
<b><u>Behavioral Health</u></b> - Restoration of Indigent Contracts	550,000	550,000	-	-
<b><u>County Fire</u></b>				
Equipment - Water Tender	210,000		210,000	-
Equipment - Brush Engine	285,000		285,000	-
Equipment - Command Vehicle	200,000		200,000	-
<b><u>County Library</u></b> - Library book budget augmentation	500,000	-	500,000	-
<b><u>County Museum</u></b> - Building maintenance	30,000	-	30,000	-
<b><u>Economic &amp; Community Development</u></b>				
Funds for the Group Decision Making process of the County's geographic information management system	200,000	-	200,000	-
<b><u>Joint Powers Leases</u></b>				
Debt Reduction	1,800,000	-	1,800,000	-
Debt Reduction	2,012,923	-	2,012,923	-
<b><u>Public Administrator/Guardian/Conserv/Coroner</u></b>				
Restore 7 vehicles for Supv Deputy Coroners and Chief Deputy Coroner	67,137	-	67,137	-
<b><u>Public Works - Regional Parks</u></b>				
Purchase playground equipment for handicapped children at Prado Regional Park	200,000	-	200,000	-
<b><u>Sheriff</u></b>				
One-time funding for Resource Officer for the Needles School District	60,627	-	60,627	-
Purchase vehicles	220,000	-	220,000	-
<i>Total Policy Items Approved</i>	<u>6,335,687</u>	<u>550,000</u>	<u>5,785,687</u>	<u>-</u>



**BOARD APPROVED CHANGES TO THE PROPOSED BUDGET WORKBOOK**

	<u>Approp</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Add'l Staff</u>
<i>Policy Items Approved Pending Adoption of the State Budget:</i>				
<b><u>Assessor</u></b>				
Add 3.0 Appraisal Staff	208,878	-	208,878	3.0
Restore Mandatory Services	278,244	-	278,244	-
<b><u>Clerk of the Board</u></b> - Restore Clerk III position	45,911	-	45,911	1.0
<b><u>County Fire</u></b> - Restore 50% of the 4% Local Cost Reduction	57,291	-	57,291	-
<b><u>County Library</u></b> - Restoration of staffing and public service hours	777,425	777,425	-	37.4
<b><u>District Attorney</u></b>				
Restore Clerk III in general program.	19,100	-	19,100	0.5
Restore DDA position in Desert, West End, Central and Juvenile regions.	230,000	-	230,000	2.0
Restore Deputy District Attorney in general program.	55,000	-	55,000	0.5
<b><u>Economic and Community Development - Economic</u></b>				
Restoration of funding for various economic development organizations and programs.	71,833	-	71,833	-
<b><u>Facilities Management</u></b> - Restore Maintenance Mechanics	65,795	-	65,795	1.0
<b><u>Land Use Services Department - Code Enforcement</u></b>				
Reinstate Code Enforcement II Position	55,889	-	55,889	1.0
<b><u>Law and Justice Group Admin</u></b>				
Restore 0.1 FTE	13,659	-	13,659	0.1
Restore services and supplies	2,046	-	2,046	-
<b><u>Probation</u></b>				
Reinstate boys RYEF treatment program	1,450,490	-	1,450,490	19.0
Restore adult case management staff	1,559,461	1,273,713	285,748	17.0
Adult sex offender unit	716,482	-	716,482	6.0
<b><u>Public Administrator/Guardian/Conserv/Coroner</u></b>				
Restore 3.5 Deputy Coroner Investigators in San Bernardino Office	267,227	-	267,227	3.5
<b><u>Public Defender</u></b> - Restore 50% of the 4% Local Cost Reduction	407,856	-	407,856	4.8
<b><u>Public Works - Regional Parks</u></b>				
Additional staff and equipment for the County Trails Program	132,055	-	132,055	1.0
<b><u>Public Works - Surveyor</u></b> - GIS Parcel Basemap - ongoing maintenance	49,877	-	49,877	0.6
<b><u>Registrar of Voters</u></b> - Restore Elections Clerk position	42,520	-	42,520	1.0
<b><u>Sheriff</u></b> - Restore funding for safety positions and overtime	1,871,978	-	1,871,978	15.5
<i>Total Policy Items Approved Pending Adoption of the State Budget</i>	<u>8,379,017</u>	<u>2,051,138</u>	<u>6,327,879</u>	<u>114.9</u>



## BOARD APPROVED CHANGES TO THE PROPOSED BUDGET WORKBOOK

	<u>Approp</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Add'l Staff</u>
<i>Additions to Reserves:</i>				
<b><u>Museum's Hall of Paleontology</u></b>	1,000,000	-	1,000,000	-
<i>Total Additions to Reserves</i>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
<i>Items Approved Mid-Year After Compilation of the Proposed Budget Workbook:</i>				
<b><u>Behavioral Health</u></b>				
Contracts for Early Periodic Screening, Diagnostic and Treatment Services (Approved June 8, 2004)	3,053,436	3,053,436	-	-
Contracts for Mental Health Clubhouse Services (Approved June 8, 2004)	574,891	574,891	-	-
<b><u>Public Health</u></b>				
Award from Stte Department of Health Services for Continued Bioterrorism (Approved April 27, 2004)	58,900	58,900	-	1.0
Establish ABC Grading of Food Establishments (Approved June 15, 2004)	34,600	34,600	-	-
<b><u>Sheriff</u></b>				
Grant Award from the Office of Emergency Services for the Coverdell National Forensic Sciences Improvement Act (Approved May 18, 2004)	29,376	29,376	-	-
<b><u>Auditor-Controller-Recorder - Modernization fund</u></b>				
Two Business Systems Analysts to support the Auditor/Controller-Recorder's Office (Approved June 8, 2004)	197,902	197,902	-	-
<b><u>Arrowhead Regional Medical Center</u></b>				
Lease Purchase Equipment for Baxter Colleague Intravenous Pump Equipment (Approved May 25, 2004)	100,112	100,112	-	-
<b><u>Information Services - Computer Operations</u></b>				
Two Business Systems Analysts to support the Auditor/Controller-Recorder's Office (Approved June 8, 2004)	197,902	197,902	-	2.0
<i>Total Items Approved Mid-Year After Compilation of the Proposed Budget Workbook</i>	<u>4,247,119</u>	<u>4,247,119</u>	<u>-</u>	<u>3.0</u>



# **BOARD APPROVED CHANGES TO THE PROPOSED BUDGET WORKBOOK**

	<u>Approp</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Add'l Staff</u>
<i>Other Items Required Based On Financing Plan:</i>				
<b><u>Information Services</u></b>				
Restore GIS Technician position in order to ensure timely updating of information in the Geographic Information System (GIS) database:				
Emerging Technology Division budget unit	65,511	-	65,511	1.0
Application Development Division budget unit	(65,511)	-	(65,511)	
<b><u>Facilities Management - Utilities</u></b>				
Decrease local cost based on estimated need for utility costs	(679,498)	-	(679,498)	-
<b><u>County Administrative Office - Joint Powers Leases</u></b>				
Decrease local cost based on estimated savings to be incurred by reducing debt with recommended funded policy items	(302,000)	-	(302,000)	-
<i>Total Other Items Required Based On Financing Plan</i>	<u>(981,498)</u>	<u>-</u>	<u>(981,498)</u>	<u>1.0</u>
<i>Grand Total Board Approved Changes to the Proposed Budget Workbook</i>	<u>21,617,818</u>	<u>9,826,007</u>	<u>11,791,811</u>	<u>136.9</u>

Since the state budget impact to the county was still unknown when the budget was adopted on June 22, 2004, the remaining financing balance of \$67.8 million (\$18.9 in ongoing and \$48.9 in one-time) was unallocated and set aside to address potential unfunded issues. In addition, the Board of Supervisors directed that any fund balance adjustment in the general fund would be made to the appropriations for contingencies. No money can be spent from contingencies without obtaining Board of Supervisors approval.

## **Other Funds Budget Process**

In addition to the general fund, the County of San Bernardino has capital project funds, special revenue funds, enterprise funds, and internal service funds. All of these funds are restricted to the revenue sources they receive. Each department having these types of funds is responsible for developing its budget based on the revenue resources available to them. These resources include projected revenue to be collected in 2004-05 and any revenue not spent and carried forward from prior years (for example, fund balance for special revenue funds). These budgets were also discussed during the budget workshop and Budget and Fee Hearing. In addition, the Board of Supervisors gave approval to make necessary fund balance adjustments for special revenue funds to agree to the Auditor/Controller-Recorder's actual fund balance.

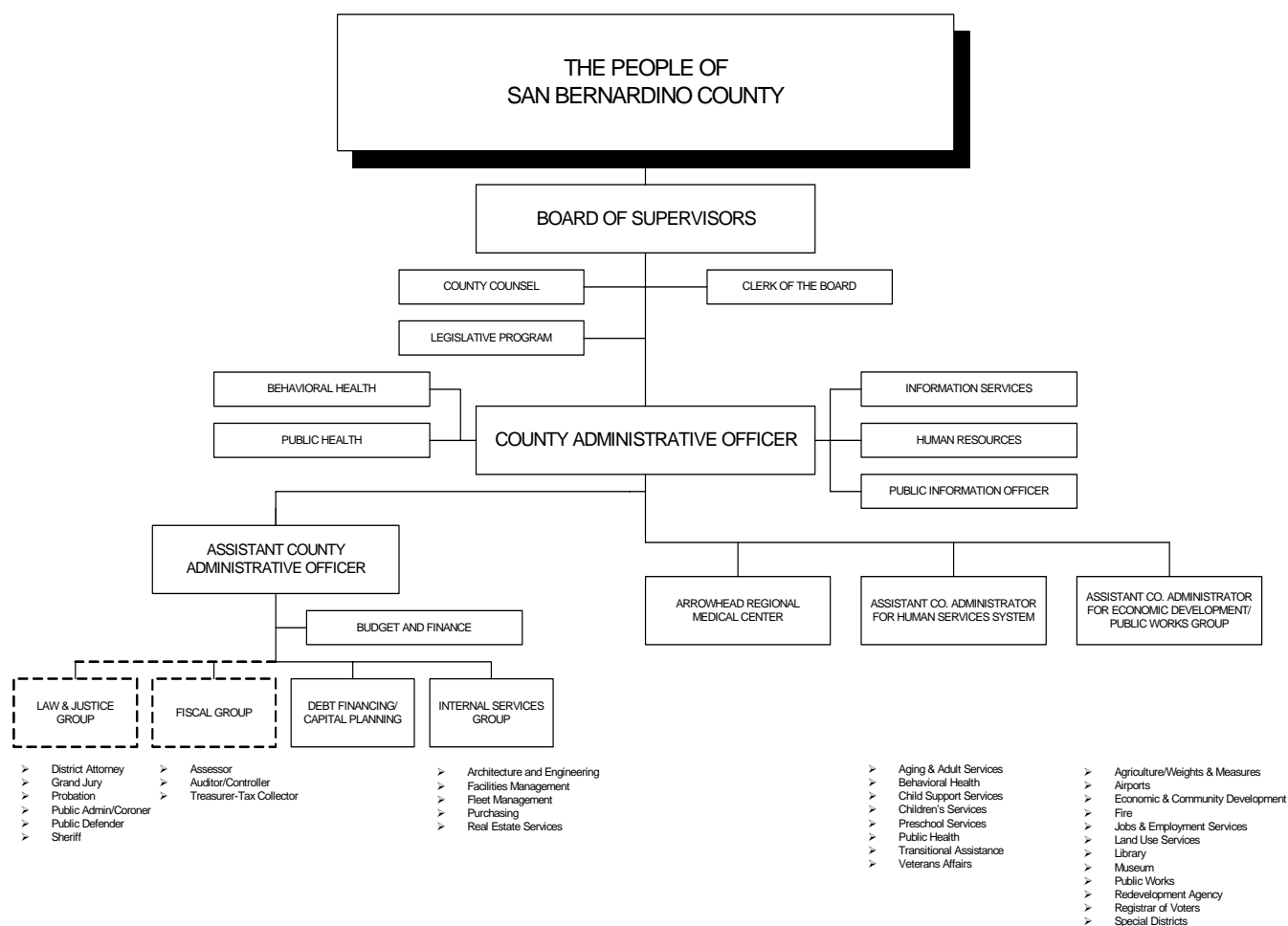


## Budget Workbook Format

The County of San Bernardino's 2004-05 Final Budget is presented in this book based on the County Organizational Structure, which is depicted below. The Administrative/Executive Group is those departments that report directly to the Board of Supervisors or those departments that report directly to the County Administrative Office. This group performs functions related to the overall support of the county.

Budget units presented in this book are displayed at a fund/department level. Although some departments incorporate the organizational level (ORG) when developing their budgets, the fund/department level of presentation was selected to provide consistency between all budget units. A sample of the departmental budget format is shown on pages 9-12 of this Preface. This sample further shows and explains how each budget unit is presented in the book.

A list of Final Budget Definitions is provided on pages 13-16 of this Preface. This listing defines budget terms commonly used throughout the budget workbook.



Revised May 2004



## DEPARTMENT Department Head

The department name and responsible administrator are listed at the top.

### MISSION STATEMENT

### ORGANIZATIONAL CHART

Departments that have multiple budget units will have a summary at the front that lists the individual budget units and final budget figures for 2004-05 that they are responsible for.

	2004-05				
	<u>Operating Exp/ Appropriation</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Rev Over(Under) Exp/ Fund Balance</u>	<u>Staffing</u>
Budget #1				-	
Budget #2				-	
Budget #3			-		
Total	-	-	-	-	-

### DESCRIPTION OF MAJOR SERVICES

Description of Major Services provides a narrative describing the function and activity of the budget in question.

### BUDGET & WORKLOAD HISTORY

	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>	<u>Actual 2003-04</u>	<u>Final 2004-05</u>
Total Appropriation				
Total Revenue				
Local Cost				
Budgeted Staffing				
<b><u>Workload Indicators</u></b>				
Workload Indicator #1				
Workload Indicator #2				

Budget & Workload History provides a historical overview of the budget unit, including two years worth of actuals, prior year adopted budget, and the current year adopted budget.

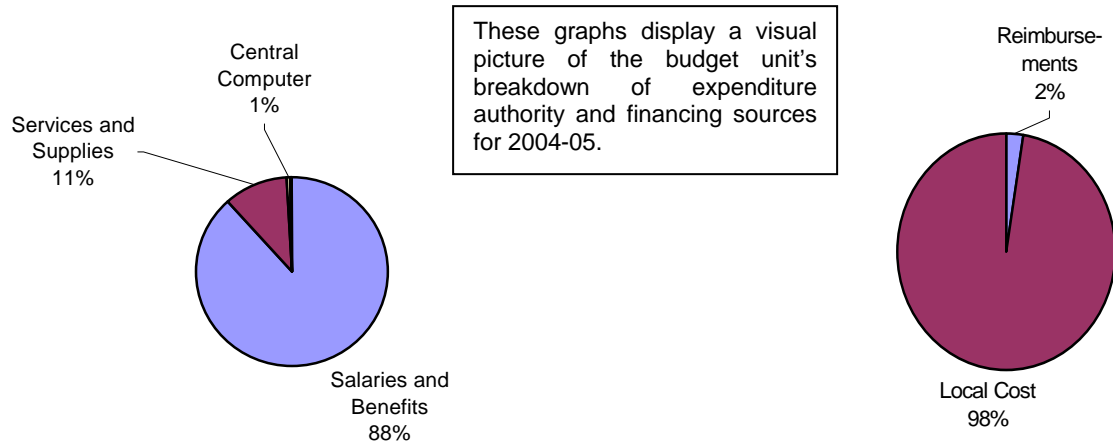
It also includes budget and actual information related to measurements of workload, called Workload Indicators.

For those departments that have significant variances between budget and actual in 2003-04, there will be an explanation of why this occurred. The 2003-04 Budget is the original budget adopted in late June and does not reflect any mid year changes approved by the Board during the fiscal year. In many cases, this is why there are variances between budget and actual in 2003-04.

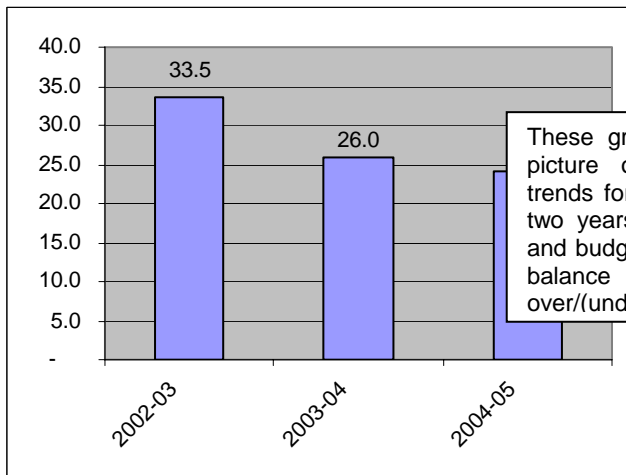




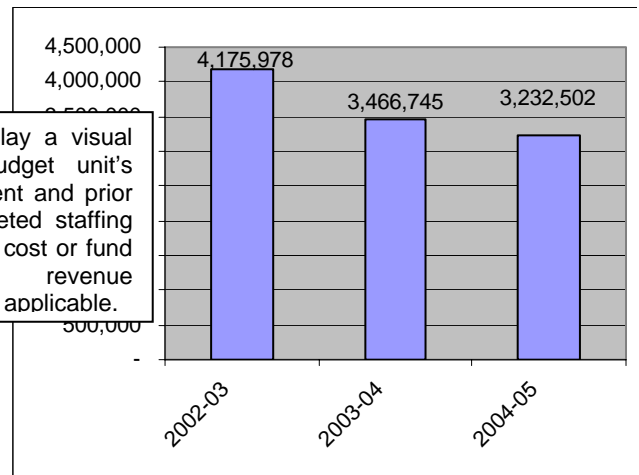
## 2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY    2004-05 BREAKDOWN BY FINANCING SOURCE



### 2004-05 STAFFING TREND CHART



### 2004-05 LOCAL COST TREND CHART



The header shows which budget you are looking at and lists the Function and Activity that tie this page to the summary financial schedules prepared by the Auditor's Office.

GROUP: - BUDGET UNIT: -  
 DEPARTMENT: - FUNCTION: -  
 FUND: - ACTIVITY: -

	2003-04 Actuals	2003-04 Approved Budget	2004-05 Board Approved Base Budget	2004-05 Board Approved Changes to Base Budget	2004-05 Final Budget
<b><u>Appropriation</u></b>					
Salaries and Benefits	-	-	-	-	-
Services and Supplies	-	-	-	-	-
Central Computer	-	-	-	-	-
Other Charges	-	-	-	-	-
Land	-	-	-	-	-
Improvement to Land	-	-	-	-	-
Improvement to Structures	-	-	-	-	-
Equipment	-	-	-	-	-
Vehicles	-	-	-	-	-
L/P Structures	-	-	-	-	-
L/P Equipment	-	-	-	-	-
L/P Vehicles	-	-	-	-	-
Transfers	-	-	-	-	-
Contingencies	-	-	-	-	-
Total Exp Authority	-	-	-	-	-
Reimbursements	-	-	-	-	-
Total Appropriation	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Requirements	-	-	-	-	-
<b><u>Departmental Revenue</u></b>					
Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money and Prop	-	-	-	-	-
State, Fed or Gov't Aid	-	-	-	-	-
Current Services	-	-	-	-	-
Other Revenue	-	-	-	-	-
Other Financing Sources	-	-	-	-	-
Total Revenue	-	-	-	-	-
Operating Transfers In	-	-	-	-	-
Total Financing Sources	-	-	-	-	-
Local Cost	-	-	-	-	-
Budgeted Staffing	-	-	-	-	-

This section provides a summary overview of how the budget incrementally progresses from prior year adopted to the current year adopted.

A more detailed breakout of these expenditure and revenue changes by category is included in the following sections, Schedule A and Schedule B.

Prior year actuals are included for informational purposes.

From left to right, following prior year actuals are: the prior year approved budget; the Board approved base budget, which includes non-discretionary budget changes, such as changes due to legal requirements or salary negotiations; Board approved changes to the base budget, which includes any type of discretionary changes made by the department, policy items approved, or fee adjustments approved; and finally the final budget which is the sum of the Board Approved Base Budget column and the Board Approved Changes to Base Budget column.



The header shows which budget unit you are looking.

DEPARTMENT: -  
FUND: -  
BUDGET UNIT: -

## SCHEDULE A

## MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
<b>2003-04 FINAL BUDGET</b>	-	-	-	-
<b>Cost to Maintain Current Program Services</b>				
Salaries and Benefits Adjustments				
Internal Service Fund Adjustments				
Prop 172				
Other Required Adjustments				
<b>Subtotal</b>				
<b>Board Approved Adjustments During 2003-04</b>				
30% Spend Down Plan				
Mid-Year Board Items				
<b>Subtotal</b>				
<b>Impacts Due to State Budget Cuts</b>				
<b>TOTAL BOARD APPROVED BASE BUDGET</b>				
<b>Board Approved Changes to Base Budget</b>	-	-	-	-
<b>TOTAL 2004-05 FINAL BUDGET</b>	-	-	-	-

Schedule A provides a summary of the budget unit's activity.

Beginning with the final budget of the prior year, adding in the components of Board approved adjustments, such as local cost allocations to maintain current program services and mid-year adjustments; summarizing state impacts, if any; and summarizing Board approved changes to base budget, if any. The final line represents a total final budget for the current year.

The header shows which budget unit you are looking.

DEPARTMENT: -  
FUND: -  
BUDGET UNIT: -

## SCHEDULE B

## BOARD APPROVED CHANGES TO BASE BUDGET

Brief Description of Board Approved Changes	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1.	-	-	-	-
2.			-	-
3.			-	-
4.			-	-
<b>Total</b>	-	-	-	-

Schedule B provides the reader with a description and explanation of Board approved changes to base budget.

Final Budget Adjustments, approved by the Board after the proposed budget was submitted, are listed in bold print.



## **FINAL BUDGET DEFINITIONS**

**4% Reduction:** While building the proposed budget, the local financing of law and justice departments was reduced by 4% based on projected state impacts to the county.

**9% Reduction:** While building the proposed budget, the local financing of general fund departments, excluding law and justice departments, was reduced by 9% based on projected state impacts to the county.

**30% Cost Reduction Plan:** The 30% Cost Reduction Plan, approved by the Board on September 23, 2003, that provides cost saving measures for discretionary income. This action was the second phase of reductions from these Plans. The first series of reductions occurred on January 28, 2003.

**Activity:** A component within a fund; usually a specific line of work performed to accomplish a function for which a governmental unit is responsible.

**Appropriation:** An authorization from a specific fund to a specific program to make expenditures/incur obligations for a specified purpose and period of time. The budget contains many appropriations or items. These appropriations are limited to one year, unless otherwise specified.

**Base Budget:** This year's base budget represents the prior year approved budget plus mandated cost adjustments such as across-the-board salary increases (MOU), retirement costs, risk management liabilities, and previous year's mid-year Board approved costs.

**Budgeted Staffing:** The number of equivalent positions funded in the budget unit. Also referred to as full-time equivalent (FTE).

**Capital Project Funds:** Capital Project Funds are used to account for financial resources designated for the acquisition or construction of major capital facilities other than those financed by Enterprise and Internal Service Funds.

**Central Computer:** Central Computer expense category is set up specifically to allocate the Information Services Department's computer charges to departments based on usage. These are countywide costs for computer infrastructure such as email, wide area network, payroll processing, and software/hardware staff support. Each department's Central Computer budget amount is estimated at the beginning of the fiscal year by the Information Services Department and is billed based on that estimate. Next year's budget (2005-06) will be adjusted based upon the actual usage in 2004-05.

**Contingencies:** An amount set aside within a budget for unforeseen expenditure requirements. Board action must be taken to spend contingency funds and a 4/5 vote is required for approval.

**Costs to Maintain Current Program Services:** All non-discretionary budget changes that are factored into the base budget: these include the cost of new mandates and negotiated salary increases. The Board of Supervisors approved these costs for the general fund in the County Administrative Office's financing plan.

**COWCAP:** COWCAP is an acronym for County Wide Cost Allocation Plan. It is the method by which indirect support costs for services such as Human Resources, Payroll, Purchasing, etc. are allocated to departments. It is prepared annually by the County Auditor/Controller-Recorder in accordance with the Office of Management and Budget, Budget Circular A-87, which is the guideline for state and federal reimbursements for indirect costs.

**Department:** An organizational unit used by county management to group programs of a like nature.

**Department Recommended Funded Adjustments:** A proposal by the department to change or implement a new program funded through existing resources that is not currently authorized by the Board.

**Depreciation:** The recording of expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.



**Discretionary Revenue:** Revenue not legally designated for a specific purpose or program that can be appropriated at the discretion of the Board of Supervisors.

**Employee Health & Productivity Program (EHaP):** A modified duty/return to work program that utilizes specialized nurses to obtain effective and timely treatment for injured or ill employees. Overall goals are to return the employee to the workplace as soon as possible and to increase the health and productivity of employees through health promotion and risk reduction programs.

**Encumbrance:** An obligation placed on an appropriation to pay for goods or services that have been ordered by means of contracts, but not yet received. In other words, the money is tied up. Even though it has not been spent, it cannot be used for any other purpose.

**Enterprise Funds:** Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through operational revenues.

**Fiscal Year (FY):** The County's twelve-month accounting period (July 1 through the following June 30), which varies from the calendar year and the federal fiscal year.

**Fixed Asset:** An asset of a long-term character such as land, buildings, furniture, and other equipment costing \$5,000 or more and having a useful life of one year or more.

**Full-time Equivalent (FTE):** The number of equivalent positions funded in the budget units. Also referred to as budgeted staffing.

**Function:** A group of related activities aimed at accomplishing a major service for which a governmental unit is responsible. This designation is specified by the State Controller. For example: "Public Protection" is the function of the Sheriff's Department.

**Fund:** A legal unit that provides for the segregation of moneys or other resources in the county treasury for specific activities or obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and fund balance, as well as its income and expenditures. The assets of a fund may also be placed into separate accounts to provide for limitations on specific fund income or expenditures.

**Fund Balance:** The excess of assets over liabilities, including the cancellation of prior year encumbrances.

**GASB 34:** Governmental Accounting Standards Board (GASB), Statement 34 establishes new requirements for the annual financial reports of state and local governments. The goal is to make annual reports easier to understand and more useful to people who use governmental financial information to make decisions.

There are many components of GASB 34, but as it relates to the budget, it is primarily composed of how services provided between county budget units are accounted. GASB 34 specifies how payments for services should be accounted for (either as reimbursements or as revenues). While the net impact is zero, reclassifications between these two categories cause inconsistencies when comparing year-to-year budgets by specific expense or revenue categories. In situations where this impact is significant, the departments have included an explanation of the reclassification.

**General Fund:** The General Fund is the predominate fund for financing county programs. It is used to account for revenues that are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the general fund are property taxes and other taxes, state and federal aid, current services, and other revenue. The general fund is used as the major funding source for the administrative/executive, economic development/public service, fiscal, human services system, internal services, and law and justice groups.



**Impacts Due to State Budget Cuts:** Reflects reductions in departmental local cost allocations to better position the county for the projected impacts caused by reductions at the state level. Most general fund departments receiving local cost were affected by the reductions; however, departmental mandated costs were exempted. For most departments, the reduction percentage was 9% of local cost, however, for various law and justice related departments the percentage reduction was 4%.

**Internal Service Funds:** Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost reimbursement basis.

**Local Cost:** Local cost is the amount contributed by the county general fund from its discretionary revenue sources to finance the activities of a department.

**Memorandum of Understanding (MOU):** For budget purposes, the MOU refers to an approved labor agreement between the county and an employee labor organization that details the salary, benefits, and other conditions of employment.

**Mid-year Adjustments:** Board approved changes to a department's budget after the adoption of the final budget.

**Operating Transfers In/Out:** A method of providing financing from one fund to another for the implementation of a project or program.

**Other Charges:** A category of accounts established for expenditures other than salaries and benefits, services and supplies, and fixed assets. Example: In Home Supportive Services.

**Proposed Budget:** The working document of the fiscal year under discussion. Approval of this document does not allow expenditures for fixed assets and for new permanent employee positions unless specifically approved by the Board of Supervisors.

**Proposition 172:** A permanent extension of a half-cent Local Public Safety Sales Tax approved by California voters on November 2, 1993. Proceeds of this sales tax must be dedicated to public safety.

**Public Service Employee (PSE):** PSEs are employees assigned to entry-level positions in a variety of fields and occupations for a limited duration. They are not full-time, regular county employees. PSEs are subject to an expedited recruiting process to accommodate additional workload or to handle one-time special projects. They do not receive the full range of benefits or have the civil service status of regular county employees.

**Realignment Funding (Health & Welfare):** In 1991-92 the state approved the Health & Welfare Realignment Program that involves a shift of program responsibilities from the state to the counties. This shift is funded through corresponding shift of dedicated Sales Tax and Vehicle License Fee revenue.

**Reimbursements:** Amount received as a repayment of the cost of work, or service performed, or of other expenditures made, for or on behalf of another governmental unit or department. Reimbursements represent the recovery of an expenditure and is considered a financing source.

**Revenue:** The addition of cash or other current assets to governmental funds (receipts) which do not increase any liability or reserve and do not represent the recovery of an expenditure, i.e., reimbursements. Generally, revenue is derived from taxes, licenses and fees or investment earnings. Revenues are deposited in a fund for future appropriation.

**SB 90 State-Mandated Local Program:** State reimbursements to local governments for the cost of activities required by State legislative and executive acts.

**Special Revenue Funds:** Special Revenue Funds account for the proceeds of specific sources of revenue whereby the use of such revenue is restricted by law for particular functions or activities of government.



**Step Increases:** An employee, based upon the completion of the required service hours in their classification, satisfactory work performance, and appointing authority recommendation, may receive step advancements. Step advancements/increases within the base salary range shall be based on two (2) step increments. Each increment is 2.5%.

**Transfers:** The movement of resources from one fund to another usually for payment of services received.

**Unrestricted Net Assets:** Net assets represent equity in capitalized assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt attributable to those assets. In other words, it is the difference between a government's assets and its liabilities.



## **APPROPRIATIONS SUMMARY**

The 2004-05 final budget includes appropriations of \$2,840,680,742, an increase of \$191,698,389 or 7.24% over a restated 2003-04 final budget. The schedule below does not include operating transfers.

	<b>Restated* Final 2003-04</b>	<b>Final 2004-05</b>	<b>Change</b>	<b>Percentage Change</b>
Countywide Operations				
Admin/Exec Group	371,872,791	369,953,511	(1,919,280)	(0.52%)
Contingencies	70,572,366	109,326,898	38,754,532	54.91%
Financial Administration	6,000,000	6,000,000	-	0.00%
Debt Service	16,066,040	22,537,293	6,471,253	40.28%
ED/Public Services Group	43,638,543	46,137,831	2,499,288	5.73%
Fiscal Group	38,240,919	43,771,521	5,530,602	14.46%
Human Services System	780,704,671	805,513,063	24,808,392	3.18%
Internal Services Group	32,300,857	31,522,438	(778,419)	(2.41%)
Law & Justice Group	449,670,081	478,356,085	28,686,004	6.38%
<b>Total General Fund</b>	<b>1,809,066,268</b>	<b>1,913,118,640</b>	<b>104,052,372</b>	<b>5.75%</b>
Restricted Financing Funds	33,533,105	64,934,332	31,401,227	93.64%
Capital Project Funds	62,932,855	55,021,644	(7,911,211)	(12.57%)
Special Revenue Funds	358,247,322	366,955,900	8,708,578	2.43%
<b>Subtotal</b>	<b>2,263,779,550</b>	<b>2,400,030,516</b>	<b>136,250,966</b>	<b>6.02%</b>
Enterprise Funds				
Arrowhead Regional Medical Ctr	255,631,781	288,702,713	33,070,932	12.94%
Medical Center Lease Payment	53,158,112	53,385,776	227,664	0.43%
County Museum Store	132,448	151,541	19,093	14.42%
Regional Parks Snackbars	71,129	67,603	(3,526)	(4.96%)
Regional Parks Camp Bluff Lake	-	292,594	292,594	- - -
Solid Waste Management	76,209,333	98,049,999	21,840,666	28.66%
<b>Subtotal</b>	<b>385,202,803</b>	<b>440,650,226</b>	<b>55,447,423</b>	<b>14.39%</b>
<b>Total Countywide Funds</b>	<b>2,648,982,353</b>	<b>2,840,680,742</b>	<b>191,698,389</b>	<b>7.24%</b>

\*The restatement of 2003-04 appropriations is the result of including \$22,190,172 in the special revenue funds line above instead of including this amount in the capital project funds line where it was listed in the 2003-04 final budget book. This restatement is for the special aviation capital projects, which are technically accounted for as special revenue funds and should be reported with all the other special revenue funds of the county. In addition, during 2003-04, the Board of Supervisor's approved the reorganization of the health related departments, having them report to the County Administrative Office as opposed to the Human Services System (HSS). This restatement moved \$330,062,404 in appropriations from HSS to Administrative/Executive Group (Admin/Exec Group) to provide comparison between the 2003-04 budget year and the final 2004-05 budget year. Furthermore, Restricted Financing Funds were added to this schedule, increasing the prior year appropriations by \$33,533,105.

### **Countywide Operations**

Countywide operations show an increase in appropriations of \$104,052,372. The most significant increases are in Contingencies, the Human Services System, and the Law and Justice Group. Each group is discussed below.

The **Administrative/Executive Group** shows a net decrease of \$1.9 million. This decrease is due largely to a \$5.5 million decrease in the Behavioral Health budget unit. This reduction is based on the department's continued plan to better-align spending with the receipt of ongoing realignment funds. There was also a \$2.8 million decrease in the Human Resources Department that experienced a decrease in appropriations due to the shifting of the benefits operations to the benefits administration special revenue fund.





The above significant decreases in the Administrative/Executive Group were offset by a \$2.0 million increase in California Children's Services for anticipated increases in caseload, a \$1.9 million increase in the Public Health budget unit due to a mid-year increase in child health programs, \$1.3 million in the Unemployment Insurance budget unit due to anticipated increased costs, and \$1.0 million in increased appropriations were seen in the County Counsel budget unit due to a GASB 34 reclassification, which removed a reimbursement for services, now classifying it as a revenue source.

The appropriation for contingencies includes the amount set aside per county policy (1.5% of locally funded appropriations), which is \$5.6 million. The other component of contingencies consists of unallocated financing available to the Board for distribution.

Furthermore, Debt Service increased \$6.5 million due to a reduction in savings to be realized from the 2002 refinancing of the West Valley Detention Center (from \$4.4 million in 2003-04 to \$2.0 million in 2004-05) and the loss of reimbursement from Airports (\$0.9 million). Additionally, \$3.8 million was approved for debt reduction; this action will provide savings in the current year as well as in future years. These increases are offset by decreased costs resulting from the 2003 refinancing of the Glen Helen Pavilion, and other minor changes in debt service schedules and costs.

The **Economic Development/Public Service Group** shows a net increase attributed mainly to increases in the Building and Safety budget unit due to significant workload increases created by the improving economy, the continued low interest rates, and the 2003 wildfires. The most significant decrease anticipated is reflected in the Registrar of Voters budget unit, as the result of only one major election in the 2004-05 budget year versus two major elections in the 2003-04 budget year.

Within the **Fiscal Group**, all budget units experienced an increase. The most significant increase is reflected in the budget unit of the Auditor/Controller-Recorder, which increased \$2.2 million. This increase was due in part to a mid-year adjustment for staffing in the Recorder's section as a result of increased recordings due to the higher volume of property sales and refinancing activity. The Treasurer-Tax Collector, formerly reported as two separate budget units, consolidated all operations into one budget unit. Appropriations for this consolidated unit increased \$1.8 million due to additional staff needed for both anticipated increases in collections as well as service to taxpayers. The Assessor appropriations increased by \$1.5 million due to the addition of three staff, the restoration of mandatory services, and the approval of several fee adjustments.

The **Human Services System** (HSS) increased a net of \$24.8 million. The significant increases in the group consist of \$26.4 million in appropriations in HSS Administration mainly due to a mid-year adjustment, which increased in the MediCal, Food Stamps, and Children Services programs. Included in the \$26.4 million increase in HSS Administration is increased costs for IHSS provider payments (\$3.2 million) due to caseload increases. Additionally, an \$8.0 million increase is expected in Aid to Adoptive Children due to increased workload and increased grant costs, a \$3.2 million increase in Foster Care due to increases in costs per case, a \$1.6 million increase in Child Support Services due mainly to an increase in appropriations to pay for the federal automation penalty imposed by the state on the county; and a \$1.2 million increase in KinGap for caseload increases.

Noteworthy decreases include \$11.5 million in Entitlement Payments (Childcare) due to decreases in caseload and average monthly cost per case, and \$3.8 million in CalWORKS-Aid to Families due to declining caseloads as a result of clients reaching CalWORKS time limits and clients no longer needing assistance due to newfound employment.

The **Internal Services Group** shows a slight decrease from the previous budget year. Most of the budget units within this group experienced decreases due to impacts of the state budget reductions. Furthermore, the rents budget unit was required to reclassify revenues to reimbursements per GASB 34, which also resulted in reduced appropriations.

The **Law and Justice Group** increase is due to increased costs to the Sheriff and District Attorney budget units as a direct result of increased safety MOU/retirement, specifically the retirement benefit known as 3% at 50. The Trial Court Funding Maintenance of Effort budget unit increased due to increased payments to the state based on a new state mandated payment, as well as an increase in collections, which are shared equally with the state.



Additionally, the Law and Justice Group had \$6.9 million in policy items approved as a reflection of the Board's commitment to public safety.

### **Restricted Financing Funds**

Restricted Financing Funds consist of two restricted financing sources – Prop. 172 and realignment. Prop. 172 revenue assists in financing the Sheriff, District Attorney, and Probation departments. Realignment assists in financing mental health, social services and health programs within the County.

### **Capital Project Funds**

Capital Project Funds appropriations decreased \$7,911,211 from the prior year restated amount.

Capital Improvement Projects appropriations decreased primarily due to progress made on the High Desert Juvenile Detention and Assessment Center. The appropriations for this project decreased \$10.4 million from the prior year. Of the \$55.0 million total appropriations for all capital projects for 2004-05, \$5.3 million was budgeted for new projects and \$49.7 million was budgeted as carry-over projects, which includes \$4.1 million remaining in the High Desert Juvenile Detention and Assessment Center project.

### **Special Revenue Funds**

Special Revenue funds increased \$8,708,578 overall.

Significant increases in specific funds include:

- \$3.8 million in transportation/road operations, which includes a \$2.2 million increase for the purchase of new vehicles to replace a portion of the department's older equipment, as well as \$1.6 million for retirement and MOU-related increases.
- \$2.1 million in transportation/special projects, which includes \$3.3 million in new construction for Duncan Road in the Phelan area, the Amboy Road overlay, and the Summit Valley Road paving project, offset by a \$1.2 million decrease due mainly to the completion of Phases I and II of the Etiwanda Interchange Improvement Project.
- \$3.7 million in the special aviation funds, which is the result of a \$2.0 million increase for Chino Airport Runway 3-21, \$1.6 million increase for the resurfacing of a runway at Needles Airport, \$1.4 million increase in the special aviation contingency fund, and a decrease of \$1.3 million in the Barstow/Daggett security improvements fund as that project is nearing completion.
- \$4.7 million in Regional Parks' Prop. 40 fund for land acquisition for the new Colton Regional Park and the movement of project funds from the county trail system budget unit.
- \$0.9 million in Regional Parks' Prop. 12 fund for the new projects schedule for 2004-05.
- \$3.4 million occurred in the micrographic systems budget unit due mainly to increased revenues received from an increase in recording transactions.
- \$1.3 million in Preschool Services due in part to a contract with the Children and Families Commission (First 5) for school readiness and additional state and federal aid.
- \$3.7 million in Human Resources Benefits Administration Fund is due to the transfer of appropriations from the general fund to a special revenue fund.
- \$2.1 million in the sheriff's special projects funds. The main areas of increases include contract training, CAL-ID, and the capital project fund, offset by a decrease in the COPS More grant fund.



- \$3.8 million due to an accounting change, which now includes certain special revenue funds that were previously used for financing only, that now are budgeted as contingencies.

Significant decreased appropriations in special revenue funds include:

- \$7.0 million in the county trail system, of which \$2.9 million represents a reduction in appropriations for contracts encumbered in 2003-04 for Phase II of the Santa Ana River Trail and the remaining funds were transferred into the Regional Parks' Prop 40 budget unit.
- \$6.7 million in the Economic and Community Development consolidated fund due to reduced funding in the following programs: neighborhood housing initiative, community block grants, and Section 108 projects. These decreases were offset by increases in the home program and special purpose grants.
- \$1.3 million in the juvenile justice program due in part to a reduction in school probation officers and the elimination of the Preventing Repeat Offenders program.
- \$1.6 million in the Jobs and Employment Services budget unit, which is the result of a decrease in Welfare to Work funding for assessment, outreach, and training appropriations.
- \$2.4 million in tobacco tax appropriation due to a decrease in the allocation of funding from the state.
- \$6.0 million for special aviation projects as there are several funds related to the Apple Valley Airport (County Service Area 60), which are now reported in the Board Governed Districts budget.

### **Enterprise Funds**

The increase in Arrowhead Regional Medical Center reflects increased salary and benefit costs, and services and supplies costs related to compliance with new nurse-to-patient ratios, a 7.49% increase in inpatient days, a 32.15% increase in emergency room visits, and a 10.65% increase in outpatient visits.

Medical Center Lease Payments increased slightly, reflecting the increases in net lease payments and trustee/administrative fees.

A new enterprise fund was established to record the activity associated with Regional Parks' Camp Bluff Lake. This is a 120-acre camp located in the San Bernardino Mountains near the City of Big Bear Lake. The county has an agreement with the Wildlands Conservancy for use of the facility, which will provide children with recreational opportunities.

Solid Waste Management appropriations have been increased by \$21.8 million as a result of \$11.7 million in increased costs related to the final closure of the Milliken, Apple Valley, and Hesperia landfills, expansion of the Mid Valley Landfill Unit 3 cell, and expansion of groundwater and landfill gas monitoring wells including continued perchlorate investigations; increased Bark Beetle costs of \$6.0 million; and increased costs of \$4.1 for operations.



## **REVENUE SUMMARY**

The 2004-05 county budget is financed from a variety of sources, which are listed below. This schedule does not include operating transfers.

	<b>Restated* Final 2003-04</b>	<b>Final 2004-05</b>	<b>Change</b>	<b>Percentage Change</b>
<b>REVENUES FOR ALL COUNTY FUNDS</b>				
<b>(Excluding Enterprise Funds)</b>				
Property Taxes				
Current Secured, Unsecured, Unitary	133,663,691	145,253,060	11,589,369	8.67%
Supplementals	5,211,327	5,601,827	390,500	7.49%
Penalty on Current Taxes	1,241,599	1,233,599	(8,000)	(0.64%)
Prior Property Taxes, Penalties and Interest	5,823,396	5,939,733	116,337	2.00%
Special Assessments	2,044,015	2,664,000	619,985	30.33%
<b>Total Property Taxes</b>	<b>147,984,028</b>	<b>160,692,219</b>	<b>12,708,191</b>	<b>8.59%</b>
Other Taxes	129,505,488	152,224,725	22,719,237	17.54%
State and Federal Aid	1,342,417,579	1,368,650,071	26,232,492	1.95%
Charges for Current Services	317,349,319	335,574,123	18,224,804	5.74%
Other Revenue	108,559,481	109,717,133	1,157,652	1.07%
<b>Subtotal</b>	<b>2,045,815,895</b>	<b>2,126,858,271</b>	<b>81,042,376</b>	<b>3.96%</b>
<b>ENTERPRISE FUNDS</b>				
Arrowhead Regional Medical Center	263,031,781	298,070,213	35,038,432	13.32%
Medical Center Lease Payment	24,484,009	24,536,303	52,294	0.21%
County Museum Store	148,400	169,650	21,250	14.32%
Regional Parks Snackbars	76,600	76,000	(600)	(0.78%)
Regional Parks Camp Bluff Lake	-	328,650	328,650	- - -
Solid Waste Management	49,151,850	61,220,482	12,068,632	24.55%
<b>Subtotal</b>	<b>336,892,640</b>	<b>384,401,298</b>	<b>47,508,658</b>	<b>14.10%</b>
<b>Total County Budget</b>	<b>2,382,708,535</b>	<b>2,511,259,569</b>	<b>128,551,034</b>	<b>5.40%</b>

\*The restatement of 2003-04 revenues is the result of detailing out the components of property taxes and clarifying the components of the "other taxes" category. The total countywide revenue budget remains unchanged.

### **Property Taxes**

Property Tax revenue is increased \$11.6 million based on an estimated increase in gross assessed secured valuation of 10.4%, an increase in unsecured valuations of 8.0%, and flat unitary property tax revenues. Supplemental property tax revenues are expected to rise by approximately 8.0%, resulting in an estimated revenue increase of \$390,500.

Special Assessments are expected to rise by more than \$600,000 primarily due to increased weed abatement and vector control assessments.

### **Other Taxes**

Other taxes are increasing as a result of a projected \$16.8 million increase in Proposition 172 sales tax revenues, a \$3.7 million increase in property transfer tax revenues and a total of \$1.5 million in additional sales tax revenues. In addition, Prop. 10 tobacco taxes to Preschool Services are expected to rise by \$0.7 million.



## **State and Federal Aid**

An overall increase in revenues is reflected in the revenue category of state and federal aid. This increase is comprised of both increases and decreases in various programs.

Significant increases include:

- \$12.5 million net increase in federal capital grants for transportation projects, which included \$13.3 million to finance the Fort Irwin Road improvement project and \$1.3 million to fund the Amboy Road overlay, offset by a reduction of \$2.1 million in federal capital grant revenues, which financed the Etiwanda Interchange Improvement project.
- \$10.3 million in federal welfare admin, \$7.3 million in state health admin, and \$7.3 million in federal health administration for the Human Services System due to increased funding in food stamps, MediCal, adoptions assistance, and In-Home Supportive Services (IHSS) administration.
- \$4.7 million in a combination of a FEMA grant and a historic preservation grant for the Central Courthouse related to its seismic retrofit capital improvements project.
- \$3.7 million in state aid for children and \$3.1 million in federal aid for children in the program, Aid to Adoptive Children due to higher caseloads and cost per case.
- \$3.4 million in motor vehicle in lieu and \$1.6 million in vehicle license fees both based on a 4.8% budgeted growth rate based on projections from local economists.
- \$2.6 million in Behavioral Health's federal financial participation for MediCal due to increased billing rates and an increase in services to children.
- \$1.7 million in aid to crippled children due to increased caseloads and increased salary and benefit costs.
- \$1.7 million in Probation's Title IV-E revenues related to updated calculations for the costs of intake services at juvenile halls.
- \$1.6 million in state grants for Public Health, which includes increases in the child health grant and the family planning grant, offset by a reduction in maternal health grant.
- \$1.3 million for Behavioral Health's crisis residential treatment funded by the Federal Emergency Management Agency for the services provided to fire and flood victims.
- \$1.1 million for projected growth in Behavioral Health's early, periodic, screening, diagnostic, and treatment program.
- \$1.1 million in foster care due to higher placement costs to providers.

Significant decreases include:

- \$8.7 million in state childcare payments and \$2.7 million in federal childcare payments to providers due to lower caseloads and rate decreases.
- \$8.5 million in state capital grants due to the High Desert Juvenile Detention and Assessment facility.
- \$6.0 million in the realignment usage by general fund departments.
- \$4.1 million in TANF funding to the Probation Department.
- \$3.7 million in CalWORKS' aid payments due to lower caseloads.



- \$2.2 million decrease in Jobs and Employment Services from the 2003-04 year due to the Welfare to Work program reaching its sunset, as well as the loss of some one-time funding that had been received for training.
- \$1.6 million decrease in tobacco tax allocations from the state.

### **Charges for Current Services**

Charges for current services increased overall from the 2003-04 budget year. The most significant increases in departmental business activity consist of the Sheriff's \$10.8 million increase in city contracts coupled with a \$700,000 increase in training revenue from other law enforcement agencies; the Auditor/Controller-Recorder's \$2.5 million increase in the general fund and \$1.8 million increase in the micrographics special revenue fund due to the higher volume of property sales and refinancing activity; and a \$1.0 million increase in the courts maintenance of effort budget unit due to increased fine collections.

Other noteworthy increases in current services are seen in account collection fees, sanitation fees, and increases in other services pertaining to the reimbursement from other agencies for the cost of property tax administration and the costs associated with the National Trails Highway and the Mission Boulevard rehabilitation projects. In addition, legal fees were reclassified to revenue from reimbursements based on GASB 34 criteria.

Decreases of significance in current services include \$1.4 million in child support collection fees retained by the county based on a state proposal to retain the funding at the state level, a \$1.2 million decrease in the indirect cost reimbursement (COWCAP) from county departments, \$1.0 million in election services due to only one major election in 2004-05 versus the two elections experienced in 2003-04, and a \$725,000 decrease in Information Services' direct labor as a result of departments utilizing outside vendor systems and the corresponding support of those systems.

### **Other Revenue**

Other revenue includes licenses, permits, franchises, fines and penalties, interest earnings, and tobacco settlement funds. This category of revenue increased slightly, however, major changes are mentioned below.

Significant increases include \$1.7 million in Building and Safety construction permits based on major increases in workload due to the improving economy, the continued low interest rates, and the recent fires; \$1.2 million in interest revenues projected to be received in the county pool; and a \$1.2 million increase in funds pledged from the Wildland Conservancy to assist with the costs related to the proposed new Colton Regional Park.

Other increases include \$860,000 in tobacco settlement funds based on revised state schedules, \$850,000 in loan payoffs of Economic and Community Development's home program assets; and \$542,000 in new grant monies from the Institute of Museum and Library Services to finance the development of the Inland Empire Archival Heritage Center and Web Module.

Noteworthy decreases in this category of revenue include a \$6.0 million decrease in the Neighborhood Initiative program. This program purchases HUD homes for rehabilitation and then re-sells the property. Decreases are the result of a low inventory of homes available for rehab and resale. Additionally, there was a \$2.0 million reduction because the Robert Wood Johnson grant to Transitional Assistance has ended.

### **Enterprise Funds**

Arrowhead Regional Medical Center revenues are expected to grow due to volume increases in inpatient days, emergency room visits, outpatient visits, and from anticipated fee increases. This growth is reflected in insurance, private pay, MediCal, and Medicare revenues.

Anticipated slight increase in revenue for the medical center lease payment fund represents state payments from the Construction Renovation/Reimbursement Program (SB 1732).



A new enterprise fund was established to record the revenues related to activities associated with Regional Parks' Camp Bluff Lake. Revenue sources include fees for summer/weekend camping programs and adult retreats.

Solid Waste Management revenues increased by \$12.1 million primarily due to \$7.4 million in increased revenue generated from Bark Beetle waste, a \$2.3 million increase from additional tonnage received at county landfills, and an additional \$1.5 million in revenue resulting from Board approved fee increases.





**BUDGETED STAFFING SUMMARY****Change from Previous Year**

	<b><u>2003-04 Staffing</u></b>	<b><u>Caseload Driven/ Grant or Special Funded Programs</u></b>	<b><u>All Other Programs</u></b>	<b><u>Total Change</u></b>	<b><u>2004-05 Staffing</u></b>	<b><u>Percentage Change</u></b>
General Fund	12,268.7	(167.9)	(68.4)	(236.3)	12,032.4	(1.9%)
Other Funds	<u>4,256.3</u>	<u>222.1</u>	<u>0.0</u>	<u>222.1</u>	<u>4,478.4</u>	5.2%
Total	16,525.0	54.2	(68.4)	(14.2)	16,510.8	

Significant changes from the previous year in caseload driven, grant or special funded programs include the following:

**General Fund**

- **Behavioral Health** budgeted staffing is decreased by 120.3 positions as part of the department's plan to reduce use of one-time Realignment funding. The **Alcohol and Drug** budget unit of Behavioral Health decreased by 17.4 positions to stay within the budget allocation and to accommodate increases in contracted services for a Perinatal Pilot Project.
- **Public Health** budgeted staffing is decreased by a net 58.5 positions. Increases totaling 15.7 budgeted staff are offset by program staffing reductions of 74.2 positions as a result of salary and benefits costs increasing at a faster pace than revenues. The budgeted staffing in **California Children's Services**, a budget unit of Public Health, is increased by 4.6 positions due to the opening of a new office on June 2004.
- **Land Use Services – Building and Safety** budgeted staffing is increased by 16.0 positions. On January 13, 2004, the Board of Supervisors approved 15.0 positions due to the significant increase in workload related to the improving economy, continued low interest rates, and the recent fires. Included in the 2004-05 budget is the addition of 1.0 Regional Building Supervisor position to supervise the larger plan review staff that was added mid-year.
- **Human Services System (HSS) Administrative Claim** budgeted staffing is increased by 154.0 positions. Additions include 123.0 positions that were added and approved by the Board in the December 2, 2003 Mid-year Budget Adjustment to help meet new requirements of the MediCal and Food Stamp programs. An additional 31.0 positions were included in the 2004-05 budget. Of these, 25.0 Public Service Employee (PSE) positions are to act as full-time interpreters in Transitional Assistance Department offices, 2.0 PSE positions are to provide Parent Relations Program services in the Department of Children's Services (DCS), 1.0 Supervising Public Health Nurse is added to direct health related services to Department of Aging and Adult Services' clients and 3.0 positions are added to correct dual-fill situations in DCS funded County Counsel positions.
- **Child Support Services** budgeted staffing decreased by 58.6 positions, due to MOU and other staffing related increases, while budget allocations are remaining stagnant.
- **District Attorney – Criminal** decreased 6.0 budgeted positions due to the loss of grant funding from the following grant programs: Passages, Major Narcotics Vertical Prosecution (MNVP), Statutory Rape Vertical Prosecution (SRVP), and Elder Abuse Vertical Prosecution.





- **Probation Administration and Community Corrections** had net decrease of 11.6 positions, of which increases in this budget unit included 10.0 positions as a result of an increase in Title IV-E funding, 7.0 positions that were transferred from Detention Corrections, and 6.0 positions for the adult sex offender unit. Decreases included 21.6 positions related to various grants, 3.0 positions deleted to cover the workers' comp surcharges, 4.0 positions deleted in training and recruitment, and 6.0 probation officers were deleted.
- **Probation Detention Corrections** increased by net 4.8 positions, of which 10.0 positions were deleted at West Valley Juvenile Hall since they will not be needed after the completion of an approved capital improvement project, 7.0 training and aftercare positions were transferred into the Probation Administration and Community Corrections budget unit, and additions include 13.0 Board approved positions for the High Desert Juvenile Assessment and Detention Center and 8.8 for recurrent positions and overtime for case management.
- **Probation Pre-Trial Detention** decreased 7.0 positions due to the Board approved move of this function to the Sheriff's Department.
- **Probation-AB 1913 Grant** decreased 72.0 positions. Of the 72.0 positions decrease in the general fund, 59.0 positions were moved into the special revenue fund established for the AB 1913 Grant and 13.0 positions were eliminated due to a reduction in grant funding.
- **Sheriff** increased 20.0 budgeted positions, of which 13.0 were the result of board approved positions for contract cities and grants, and 7.0 was the result of the transfer from Probation's pretrial detention.

#### Other Funds

- **Human Resources - Benefits Administration** budget unit is a special revenue fund under the Human Resources Department (HRD). Budgeted staffing increased by 33.0 due to the transfer of 31.0 positions from HRD and the addition of 2.0 positions, which were approved by the Board of Supervisors on December 16, 2003.
- **Arrowhead Regional Medical Center** budgeted staffing increased by 132.4 positions due to volume increases; compliance in nursing staffing ratio in patient services; additional services such as renal dialysis, hyperbaric therapy, and echo cardiology services; and increased security measures for patient's safety.
- **Preschool Services Department** budgeted staffing is decreased by 39.9 positions due to MOU and other staffing related increases, while budget allocations are remaining stagnant.
- **Probation – AB 1913 Grant** increased 59.0 positions as a result of the transfer of 72.0 positions from the general fund budget unit into this special revenue fund budget unit, coupled with a decrease of 13.0 positions due to reduced grant funding.
- **Sheriff's** budgeted staffing includes a reduction of 3.0 technical positions because the grant funding for these positions ended in 2003-04.

Significant changes from the previous year in all other programs include the following:

#### General Fund

- **Human Resources Department** budgeted staffing is decreased by 32.9 positions due to the transfer of 31.0 positions to the special revenue fund, Benefits Administration, and a reduction of 2.0 positions due to the 9% cost reduction plan, which are offset by an increase in budgeted staffing of 0.1 positions as a result of an increase in hours for an extra-help Human Resources Officer II to assist during upcoming negotiations with the various employee bargaining units.



- **Information Services'** budgeted staffing decreased by 17.7 positions. Of this decrease, 16.5 positions were in Applications Development of which 2.0 positions were a part of the 30% cost reduction plan, a decrease of 6.0 positions is due to the 9% cost reduction plan and a reduction of 8.5 positions due to workload decline and corresponding revenue reductions. Emerging Technology budget unit staffing has a reduction of 1.2 positions due to the 9% cost reduction plan.
- **Central Collections** budget unit was consolidated into the main Treasurer-Tax Collector department budget unit. In addition, there is an increase of 8.9 budgeted staffing positions needed for increased number of assigned collection accounts, to assist the taxpayers, and various other duties.
- **Facilities Management Department** budgeted staffing decreased a total of 10.5 positions. The division breakdown for positions deleted as a result of the state budget impact is as follows: Custodial Division 4.5 positions, Grounds 3.7 positions, and Maintenance 0.3 positions. Home Repair's 2.0 positions relate to federal funding from Economic and Community Development that did not increase from 2003-04. Since no additional funding was provided for MOU and building materials costs, this required deletion of the two positions.
- **District Attorney – Criminal** decreased an additional 3.0 budgeted positions due to the impacts of the state budget cuts.
- **Sheriff** decreased 20.0 budgeted positions due to the impacts of the state budget reduction on local funding and increased costs associated with salary and benefits. This decrease coupled with the increase above nets to zero change for the department.

Countywide staffing changes are outlined by county department in the following chart:



## BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Final Budget	Change
<b>ADMINISTRATIVE/EXECUTIVE GROUP</b>			
<b><u>GENERAL FUND</u></b>			
BOARD OF SUPERVISORS	39.5	42.3	2.8
LEGISLATION	1.0	1.0	0.0
CLERK OF THE BOARD	14.0	13.0	(1.0)
COUNTY ADMINISTRATIVE OFFICE	26.0	24.0	(2.0)
COUNTY COUNSEL	65.7	65.0	(0.7)
HUMAN RESOURCES	116.5	83.6	(32.9)
HUMAN RESOURCES - EMPLOYEE HEALTH & WELLNESS	13.0	12.7	(0.3)
HEALTH CARE COSTS	4.0	4.0	0.0
BEHAVIORAL HEALTH	686.2	565.9	(120.3)
BEHAVIORAL HEALTH - ALCOHOL AND DRUG	91.5	74.1	(17.4)
PUBLIC HEALTH	921.3	862.8	(58.5)
PUBLIC HEALTH - CALIFORNIA CHILDREN'S SERVICES	145.0	149.6	4.6
INFORMATION SERVICES - APPLICATIONS DEVELOPMENT	93.8	77.3	(16.5)
INFORMATION SERVICES - EMERGING TECHNOLOGIES	15.2	14.0	(1.2)
SUBTOTAL GENERAL FUND	2,232.7	1,989.3	(243.4)
<b><u>OTHER FUNDS</u></b>			
HUMAN RESOURCES - BENEFITS ADMIN	0.0	33.0	33.0
HUMAN RESOURCES - COMMUTER SERVICES	3.5	2.5	(1.0)
HUMAN RESOURCES - RISK MANAGEMENT	65.0	65.3	0.3
ARROWHEAD REGIONAL MEDICAL CENTER	2,299.9	2,432.3	132.4
INFORMATION SERVICES - COMPUTER OPERATIONS	125.4	127.4	2.0
INFORMATION SERVICES - NETWORK SERVICES	93.0	93.0	0.0
SUBTOTAL OTHER FUNDS	2,586.8	2,753.5	166.7
<b>TOTAL ADMINISTRATIVE/EXECUTIVE GROUP</b>	<b>4,819.5</b>	<b>4,742.8</b>	<b>(76.7)</b>



## BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Final Budget	Change
<b>ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP</b>			
<b><u>GENERAL FUND</u></b>			
ED/PUBLIC SERVICES GROUP	17.0	15.0	(2.0)
AGRICULTURE/WEIGHTS & MEASURES	64.5	63.5	(1.0)
AIRPORTS	28.9	27.0	(1.9)
COUNTY MUSEUM	52.5	51.7	(0.8)
ECD - ECONOMIC PROMOTION	2.0	2.0	0.0
ECD - SMALL BUSINESS DEVELOPMENT	4.0	3.0	(1.0)
LAND USE SERVICES - ADMINISTRATION	11.0	10.0	(1.0)
LAND USE SERVICES - CURRENT PLANNING	27.0	28.0	1.0
LAND USE SERVICES - ADVANCE PLANNING	19.0	19.0	0.0
LAND USE SERVICES - BUILDING AND SAFETY	62.2	78.2	16.0
LAND USE SERVICES - CODE ENFORCEMENT	30.0	30.0	0.0
LAND USE SERVICES - FIRE HAZARD ABATEMENT	21.0	21.0	0.0
PUBLIC WORKS - REGIONAL PARKS	117.1	117.1	0.0
PUBLIC WORKS - SURVEYOR	39.4	42.4	3.0
REGISTRAR OF VOTERS	42.9	39.2	(3.7)
SPECIAL DISTRICTS - FRANCHISE ADMINISTRATION	3.0	3.0	0.0
SUBTOTAL GENERAL FUND	541.5	550.1	8.6
<b><u>OTHER FUNDS</u></b>			
COUNTY LIBRARY	209.2	209.0	(0.2)
COUNTY MUSEUM STORE	2.1	2.2	0.1
ECONOMIC AND COMMUNITY DEVELOPMENT	61.0	58.0	(3.0)
JOBS AND EMPLOYMENT SERVICES	141.0	150.1	9.1
LAND USE SERVICES - HABITAT CONSERVATION	0.0	0.0	0.0
PUBLIC WORKS - COUNTY TRAIL SYSTEM	4.0	5.0	1.0
PUBLIC WORKS - CALICO GHOST TOWN MARKETING SVCS	1.0	1.0	0.0
PUBLIC WORKS - CAMP BLUFF LAKE	0.0	7.6	7.6
PUBLIC WORKS - REGIONAL PARKS SNACK BARS	1.3	1.3	0.0
PUBLIC WORKS - ROAD OPERATIONS CONSOLIDATED	357.7	368.0	10.3
PUBLIC WORKS - SOLID WASTE MANAGEMENT	74.4	84.8	10.4
SUBTOTAL OTHER FUNDS	851.7	887.0	35.3
<b>TOTAL ECON DEVELOP/PUBLIC SERVICES GROUP</b>	<b>1,393.2</b>	<b>1,437.1</b>	<b>43.9</b>



## BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Final Budget	Change
<b>FISCAL GROUP</b>			
<b><u>GENERAL FUND</u></b>			
ASSESSOR	159.9	163.9	4.0
AUDITOR/CONTROLLER-RECORDER	181.6	191.6	10.0
TREASURER-TAX COLLECTOR	66.5	168.9	102.4
TREASURER-TAX COLLECTOR - CENTRAL COLLECTIONS	93.5	0.0	(93.5)
SUBTOTAL GENERAL FUND	501.5	524.4	22.9
<b><u>OTHER FUNDS</u></b>			
STATE/COUNTY PROPERTY TAX ADMINISTRATION	29.0	29.0	0.0
AUDITOR/CONTROLLER - SYSTEMS DEVELOPMENT	0.0	7.0	7.0
AUDITOR/CONTROLLER - RECORDS MANAGEMENT	2.0	1.0	(1.0)
SUBTOTAL OTHER FUNDS	31.0	37.0	6.0
<b>TOTAL FISCAL GROUP</b>	<b>532.5</b>	<b>561.4</b>	<b>28.9</b>
<b>HUMAN SERVICES SYSTEM</b>			
<b><u>GENERAL FUND</u></b>			
AGING AND ADULT SERVICES	101.1	101.9	0.8
CHILD SUPPORT SERVICES	565.0	506.4	(58.6)
HSS ADMINISTRATIVE CLAIM	3,422.7	3,576.7	154.0
VETERANS AFFAIRS	17.0	16.3	(0.7)
SUBTOTAL GENERAL FUND	4,105.8	4,201.3	95.5
<b><u>OTHER FUNDS</u></b>			
PRESCHOOL SERVICES	575.8	535.9	(39.9)
SUBTOTAL OTHER FUNDS	575.8	535.9	(39.9)
<b>TOTAL HUMAN SERVICES SYSTEM</b>	<b>4,681.6</b>	<b>4,737.2</b>	<b>55.6</b>
<b>INTERNAL SERVICES GROUP</b>			
<b><u>GENERAL FUND</u></b>			
ARCHITECTURE AND ENGINEERING	23.0	23.0	0.0
FACILITIES MANAGEMENT - ADMINISTRATION	4.0	4.0	0.0
FACILITIES MANAGEMENT - CUSTODIAL	47.5	43.0	(4.5)
FACILITIES MANAGEMENT - GROUNDS	23.7	20.0	(3.7)
FACILITIES MANAGEMENT - HOME REPAIR	12.0	10.0	(2.0)
FACILITIES MANAGEMENT - MAINTENANCE	56.0	55.7	(0.3)
PURCHASING	18.0	16.0	(2.0)
REAL ESTATE SERVICES	24.0	24.0	0.0
SUBTOTAL GENERAL FUND	208.2	195.7	(12.5)



### BUDGETED STAFFING SUMMARY

Department	2003-04 Final Budget	2004-05 Final Budget	Change
<b>INTERNAL SERVICES GROUP (continued)</b>			
<b><u>OTHER FUNDS</u></b>			
FLEET MANAGEMENT - GARAGE AND WAREHOUSE	94.0	97.0	3.0
FLEET MANAGEMENT - MOTOR POOL	4.0	4.0	0.0
PURCHASING - CENTRAL STORES	14.0	12.0	(2.0)
PURCHASING - MAIL AND COURIER SERVICES	34.0	33.0	(1.0)
PURCHASING - PRINTING AND MICROFILM SERVICES	17.0	16.0	(1.0)
SUBTOTAL OTHER FUNDS	163.0	162.0	(1.0)
<b>TOTAL INTERNAL SERVICES GROUP</b>	<b>371.2</b>	<b>357.7</b>	<b>(13.5)</b>
<b>LAW AND JUSTICE GROUP</b>			
<b><u>GENERAL FUND</u></b>			
COUNTY TRIAL COURTS - DRUG COURT PROGRAMS	0.0	0.0	0.0
COUNTY TRIAL COURTS - GRAND JURY	0.0	0.0	0.0
COUNTY TRIAL COURTS - INDIGENT DEFENSE	0.0	0.0	0.0
DISTRICT ATTORNEY - CRIMINAL	397.0	388.0	(9.0)
DISTRICT ATTORNEY - CHILD ABDUCTION	7.0	6.5	(0.5)
LAW AND JUSTICE GROUP ADMINISTRATION	1.0	1.0	0.0
PROBATION - ADMINISTRATION/COMM CORRECTIONS	458.6	447.0	(11.6)
PROBATION - DETENTION CORRECTIONS	613.0	617.8	4.8
PROBATION - PRE-TRIAL DETENTION	7.0	0.0	(7.0)
PROBATION - AB1913 GRANT	72.0	0.0	(72.0)
PUBLIC ADMIN/GUARDIAN/CONSERV/CORONER	76.1	69.1	(7.0)
PUBLIC DEFENDER	180.3	175.2	(5.1)
SHERIFF	2,867.0	2,867.0	0.0
SUBTOTAL GENERAL FUND	4,679.0	4,571.6	(107.4)
<b><u>OTHER FUNDS</u></b>			
DISTRICT ATTORNEY - SPECIAL REVENUE	33.0	32.0	(1.0)
PROBATION - AB1913 GRANT (SR)	0.0	59.0	59.0
SHERIFF - SPECIAL REVENUE	15.0	12.0	(3.0)
SUBTOTAL OTHER FUNDS	48.0	103.0	55.0
<b>TOTAL LAW AND JUSTICE GROUP</b>	<b>4,727.0</b>	<b>4,674.6</b>	<b>(52.4)</b>
<b>TOTAL COUNTY DEPARTMENTS - GENERAL FUND</b>	<b>12,268.7</b>	<b>12,032.4</b>	<b>(236.3)</b>
<b>TOTAL COUNTY DEPARTMENTS - OTHER FUNDS</b>	<b>4,256.3</b>	<b>4,478.4</b>	<b>222.1</b>
<b>GRAND TOTAL COUNTY DEPARTMENTS</b>	<b>16,525.0</b>	<b>16,510.8</b>	<b>(14.2)</b>



**GENERAL FUND FINANCING**

County general fund operations are financed with four major types of funding: departmental program revenue, Prop. 172 revenue, realignment revenue, and countywide discretionary revenue.

Departmental program revenue includes fees, service charges, and state and federal support for programs such as welfare, health care, and behavioral health. Prop. 172 revenue is restricted and is used solely for financing the Sheriff, District Attorney, and Probation departments. Realignment revenue is also restricted and used in financing mental health, social services and health programs within the County.

The balance of departmental costs not funded by departmental program revenue, Prop. 172 revenue, and/or realignment revenue is considered local cost. Local cost is funded by countywide discretionary revenue, such as property tax and vehicle license fees as well as other financing sources such as use of reserves, fund balance, and operating transfers.

The following pages describe in more detail Prop. 172 revenue, realignment revenue and countywide discretionary revenue that assists in financing general fund departments.

**PROP. 172**

Proposition 172 (Prop. 172), which became effective January 1, 1994, placed a one-half percent sales tax rate in the state's constitution and required that revenues from the additional one-half percent sales tax be used only for local public safety activities, which include but are not limited to sheriffs, police, fire protection, county district attorneys, and county corrections. Funding from Proposition 172 enabled counties and cities to substantially offset the public safety impacts of property tax losses resulting from the state property tax shift to the Educational Revenue Augmentation Fund (ERAF).

Pursuant to Government Code 30054, of the total revenue allocated for San Bernardino County by Prop. 172, 5.0% is distributed to cities affected by the property tax shift, and 95.0% remains within the county.

On August 22, 1995, the County of San Bernardino Board of Supervisors (BOS) approved the recommendation that designated the following departments to receive the county's 95.0% share of Prop. 172 revenue, consistent with Government Code Section 30052, and authorized the Auditor/Controller to deposit the county's portion of the Prop. 172 receipts as follows:

➤ Sheriff	70.0%
➤ District Attorney	17.5%
➤ Probation	12.5%

Prop. 172 revenue represent a significant funding source for the Sheriff, District Attorney, and Probation. Each year, as part of the budget development process, projections of Prop. 172 revenue growth are developed based on staff analysis of revenue trends and forecasts provided by outside economists.

Growth in Prop. 172 revenue is used first to fund mandated cost increases in these departments, such as inflation, MOU adjustments, or court-ordered detention facility staffing. Any revenue beyond what is needed to fund mandated costs is used to meet other high priority needs as recommended by the department and approved by the Board. In most years mandated cost increases consume the vast majority of Prop. 172 revenue growth.

Until 2002-03, all Prop. 172 revenue received was distributed to the designated departments. However, in 2002-03, an unexpected increase in Prop. 172 revenue caused an excess of actual over budgeted Prop. 172 revenue. This excess totaled approximately \$2.8 million. In 2003-04, an additional excess of actual over budgeted revenue occurred; the 2003-04 excess was \$12.3 million. Upon Board approval, in 2003-04 the Sheriff and District Attorney were granted increases in revenue and appropriations in the amount of \$4.8 million and \$0.6 million respectively to cover unanticipated departmental costs. The remaining \$9.7 million excess remains in a restricted general fund (AAG) and is the beginning balance starting 2004-05.

<b>PROP. 172 REVENUE IN 2004-05</b>				
	<b>Beginning Fund Balance (AAG)</b>	<b>Budgeted Revenue</b>	<b>Budgeted Department Usage</b>	<b>Estimated Ending Fund Balance (AAG)</b>
Sheriff	5,823,419	79,100,000	79,100,000	5,823,419
District Attorney	2,021,954	19,775,000	19,775,000	2,021,954
Probation	1,846,889	14,125,000	15,250,000	721,889
<b>Total</b>	<b>9,692,262</b>	<b>113,000,000</b>	<b>114,125,000</b>	<b>8,567,262</b>

This Prop. 172 fund does not directly spend funds or provide service. It is strictly a financing budget with the actual expenditures occurring within the operating budget units of the departments that receive Prop. 172 revenue.

It is anticipated that the Sheriff and District Attorney will utilize 100 percent of the current year budgeted revenue, while Probation will utilize 100 percent of the current year budgeted revenue as well as a portion of the excess one-time revenue currently in AAG.





## **REALIGNMENT**

In 1991 the state shifted responsibility for a number of mental health, social services, and health programs to counties. This shift, known as Realignment, resulted in the creation of two dedicated funding streams to pay for the shifted services: a ½ cent Sales Tax and a change in the depreciation schedule for vehicles which resulted in a 24.33% increase in Vehicle License Fee (VLF) revenues. Each of the three service areas identified was required to have their own separate accounts established and each of those service areas receive a different share of statewide Realignment revenues.

Within the mental health area, the programs for which the county is now responsible for are: community-based mental health programs, State Hospital services for county patients, and Institutions for Mental Disease. Within the social services area, the programs for which the county is now responsible for are: the county revenue stabilization program and the county justice subvention program. Within the health area, the programs for which the county is now responsible for are: AB8 county health services, local health services, medically indigent services, and the county medical services program.

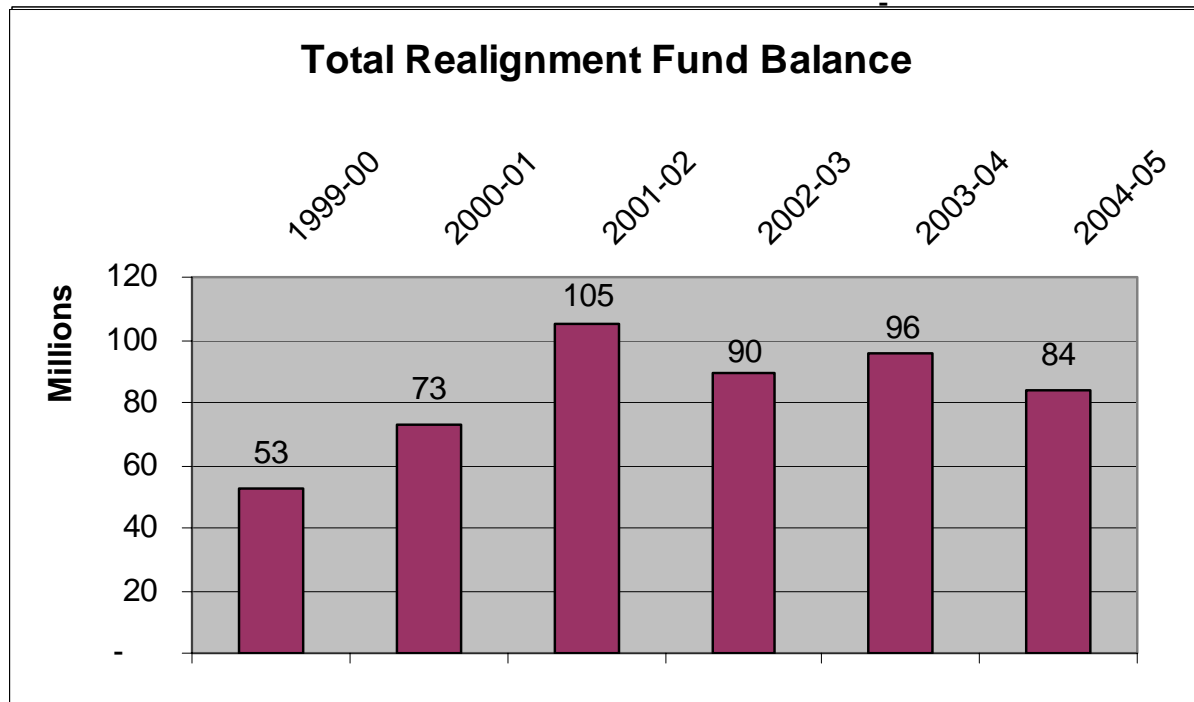
In addition to these program responsibility shifts, a number of programs had changes made to their cost sharing ratios. Below are the programs involved in the cost sharing ratio changes (numbers are shown in percentages in the order of state/county shares of cost). For example, prior to realignment Foster Care costs were funded by 95% state resources and 5% county resources. Now Foster Care is funded by 40% state resources and 60% county resources, which is a significant impact to the county.

	From State/County	To State/County
<b>Social Services programs:</b>		
Foster Care	95/5	40/60
Child Welfare Services	76/24	70/30
Adoption Assistance	100/0	75/25
CalWORKs	89/11	95/5
County Services Block Grant	84/16	70/30
Greater Avenues for Independence	100/0	70/30
Social Services administration	50/50	70/30
In Home Supportive Services (IHSS)	97/3	65/35
<b>Health programs:</b>		
California Children's Services	75/25	50/50

The Realignment program has some flaws in its design that adversely impact County of San Bernardino revenues. First, is San Bernardino's status as an "under equity county," meaning that the county receives a lesser share of revenue relative to other counties based on population and estimated poverty population. Revenue distributions among counties were determined by expenditures in the programs that were transferred just prior to the adoption of Realignment. San Bernardino County was under equity in those programs. Realignment did attempt to address the inequity issue, but the effort fell short. The county continues to be under equity at this time and barring any legislative action the amount of inequity will increase over time. As growth occurs in the revenue streams, that incremental new funding is distributed on existing sharing arrangements between the counties. The counties that are already over equity get a higher percentage of the new revenue while those that are under equity get less.

In addition to the under equity issue is the fact that the demand for the services the county is providing and the revenue streams funding them are both sensitive to the economy. When the economy is doing well, demand for services is reduced and sales taxes and vehicle license fees revenues are high. When the economy does poorly, demand for services is high, but revenues under perform. The realignment funds recovered from earlier difficulties and built up a substantial available fund balance which peaked at the end of the 2001-02 year, as seen in the graph on the following page.





In the 2002-03 year, those fund balances began to be depleted as revenues shrank, demand for services increased, and expenses increased. Since these programs are now the County's responsibility, if there is insufficient growth in realignment revenue and/or no fund balance available to pay for the cost of these programs, the County will have to start using its countywide, discretionary revenue to cover the costs. Of note in this graph is that the fund balance ending 2004-05 at the far right is 68.5% Health fund balance; the other two funds continue to draw down fund balance for ongoing expenditures. Social Services, which funds caseload driven mandated programs, is projected to have a negative \$0.8 million fund balance at the end of 2004-05. Thus requiring additional general fund support.

**Budget History for All Realignment Funds**

	<b>ACTUAL 2002-03</b>	<b>BUDGET 2003-04</b>	<b>ACTUAL 2003-04</b>	<b>FINAL 2004-05</b>
Beginning Fund Balance	105,261,868	76,611,548	89,594,217	95,906,647
Revenue	171,180,931	170,635,192	179,759,269	183,229,554
Department Usage	186,848,582	200,613,769	173,446,839	195,133,856
Ending Fund Balance	89,594,217	46,632,971	95,906,647	84,002,345
Change in Fund Balance	(15,667,651)	(29,978,577)	6,312,430	(11,904,302)

Revenue is expected to increase year-over-year, primarily as a result of sales tax growth. It is important to note that for the foreseeable future all sales tax growth will accrue to the Social Services fund to pay for mandated caseload increases for which funding was unavailable in prior years. This will adversely affect the Mental Health and Health funds since they will see no increase in sales tax revenue until sales tax growth is sufficient to fund the additional caseload costs in Social Services.

Department Usage is expected to exceed revenue mainly due to the under equity issue discussed above. However, in 2003-04 actual department usage is less than revenue primarily because the actual realignment transferred to the Arrowhead Regional Medical Center (ARMC) was \$14.1 million dollars less than anticipated due to ARMC's increased insurance revenues and improved collections.

The 2004-05 year end fund balance is projected to decline by 12.5% or approximately \$12.0 million due to increased demand for services from the Social Services programs.



### SUMMARY OF REALIGNMENT BUDGET UNITS FOR 2004-05

	<b>Estimated Beginning Fund Balance</b>	<b>Budgeted Revenue</b>	<b>Budgeted Departmental Usage</b>	<b>Budgeted 10% Transfers</b>	<b>Estimated Ending Fund Balance</b>	<b>Estimated Change in Fund Balance</b>
Mental Health	27,737,929	55,626,137	56,123,885	-	27,240,181	(497,748)
Social Services	12,207,706	70,931,212	83,891,709	-	(752,791)	(12,960,497)
Health	55,961,012	56,672,205	55,118,262	-	57,514,955	1,553,943
Total	95,906,647	183,229,554	195,133,856	-	84,002,345	(11,904,302)

The Realignment budgets do not directly spend funds or provide service. They are strictly financing budgets with the actual expenditures occurring within the operating budget units of the departments that receive Realignment revenue.

The Realignment legislation does allow for some flexibility in usage of funds at the county level. Upon action by the Board of Supervisors, a county can transfer 10% of a given years revenue from one fund to another. San Bernardino County has used the provision repeatedly over the years to help support either the health or social services programs. The County did not perform a 10% transfer in 2003-04 and is not budgeting one for 2004-05. However, in the event that such transfer is needed, Board of Supervisors approval is required.

The next three pages contain the breakdown of the three individual realignment funds.



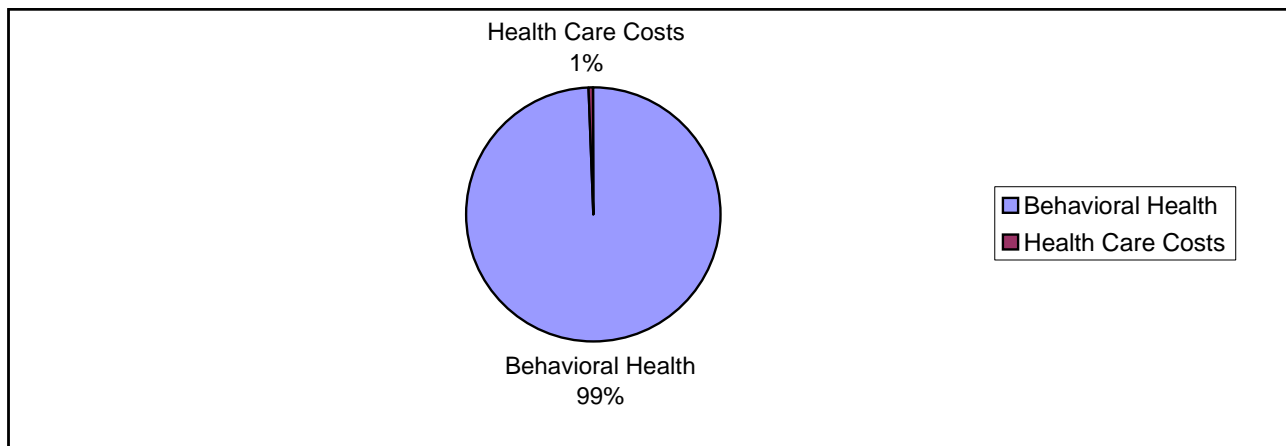
<b>Mental Health</b>
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	<b>ACTUAL 2002-03</b>	<b>BUDGET 2003-04</b>	<b>ACTUAL 2003-04</b>	<b>FINAL 2004-05</b>
Beginning Fund Balance	48,310,313	25,433,662	33,012,231	27,737,929
Revenue	55,047,078	55,201,458	55,723,908	55,626,137
Department Usage	65,245,160	67,192,114	60,998,210	56,123,885
10% Transfers	(5,100,000)	(5,337,670)	-	-
Ending Fund Balance	33,012,231	8,105,336	27,737,929	27,240,181
Change in Fund Balance	(15,298,082)	(17,328,326)	(5,274,302)	(497,748)

Mental Health fund revenue is composed of approximately 2/3 sales tax and 1/3 VLF. Revenue is expected to climb slowly since any growth in sales tax will be dedicated to Social Services to fund caseload growth. In conjunction with the County Administrative Office, the Behavioral Health Department has developed a plan to significantly reduce expenditures in an effort to bring department usage in line with revenues. As seen in the table above, this plan has been successful in reducing fund balance used from \$15,298,082 in 2002-03 to \$5,274,302 in 2003-04 and a budgeted \$497,748 in 2004-05. Implementation of this plan has significantly improved the financial position of the Mental Health fund.

<b>Breakdown of Department Usage of Mental Health Realignment</b>
-------------------------------------------------------------------

	<b>ACTUAL 2002-03</b>	<b>BUDGET 2003-04</b>	<b>ACTUAL 2003-04</b>	<b>FINAL 2004-05</b>
Behavioral Health	64,951,853	66,873,463	60,752,520	55,800,627
Health Care Costs	293,307	318,651	245,690	323,258
Total Department Usage	65,245,160	67,192,114	60,998,210	56,123,885



<b>Social Services</b>
------------------------

	<b>ACTUAL 2002-03</b>	<b>BUDGET 2003-04</b>	<b>ACTUAL 2003-04</b>	<b>FINAL 2004-05</b>
Beginning Fund Balance	27,347,751	16,447,227	18,382,037	12,207,706
Revenue	59,451,489	59,742,774	65,828,105	70,931,212
Department Usage	73,517,203	78,653,534	72,002,436	83,891,709
10% Transfers	5,100,000	5,337,670	-	-
Ending Fund Balance	18,382,037	2,874,137	12,207,706	(752,791)
Change in Fund Balance	(8,965,714)	(13,573,090)	(6,174,331)	(12,960,497)

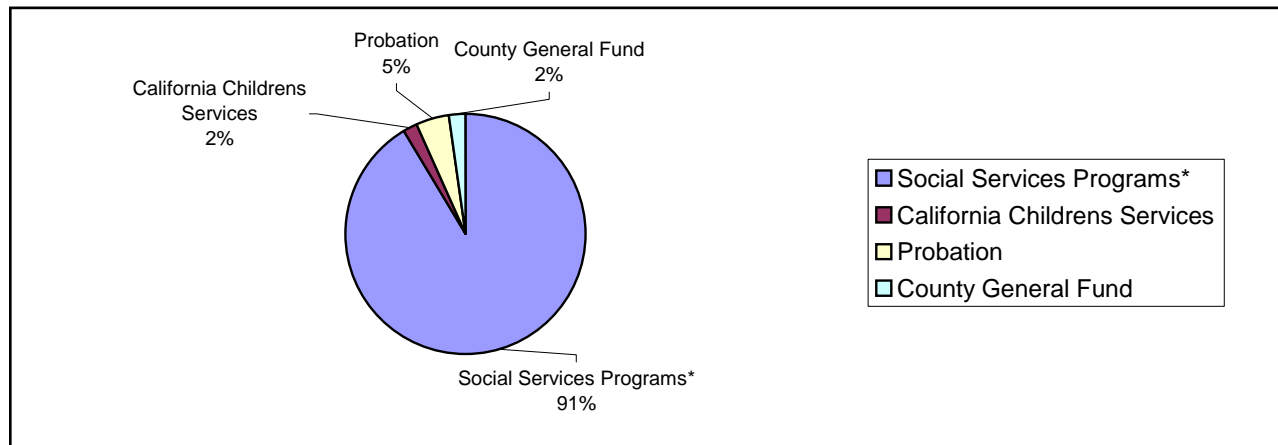
Revenue for Social Services is 96.0% sales tax and 4.0% VLF. The social services revenue has been particularly hard hit by the poor performance of statewide sales tax collection. Actual sales tax collection has been insufficient to keep up with rising costs in the mandated programs. Continued caseload cost increases as well as operational cost increases for liability insurance and increased salary and benefit costs will likely result in growing demand for additional financing for these programs.

As anticipated in last year's projections, Social Services will require additional general fund support in 2004-05.

<b>Breakdown of Department Usage of Social Services Realignment</b>
---------------------------------------------------------------------

	<b>ACTUAL 2002-03</b>	<b>BUDGET 2003-04</b>	<b>ACTUAL 2003-04</b>	<b>FINAL 2004-05</b>
Social Services Programs*	65,795,951	71,015,863	68,726,596	76,754,038
California Childrens Services	1,438,041	1,538,041	1,476,840	1,538,041
Probation	4,484,211	4,300,630	-	3,800,630
County General Fund	1,799,000	1,799,000	1,799,000	1,799,000
Total Department Usage	73,517,203	78,653,534	72,002,436	83,891,709

\* Soc. Svcs. Programs include: IHSS, Foster Care, Seriously Emotionally Disturbed, and Administrative Claim Matches



<b>Health</b>
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	<b>ACTUAL 2002-03</b>	<b>BUDGET 2003-04</b>	<b>ACTUAL 2003-04</b>	<b>FINAL 2004-05</b>
Beginning Fund Balance	29,603,804	34,730,659	38,199,949	55,961,012
Revenue	56,682,364	55,690,960	58,207,256	56,672,205
Department Usage	48,086,219	54,768,121	40,446,193	55,118,262
10% Transfers	-	-	-	-
Ending Fund Balance	38,199,949	35,653,498	55,961,012	57,514,955
Change in Fund Balance	8,596,145	922,839	17,761,063	1,553,943

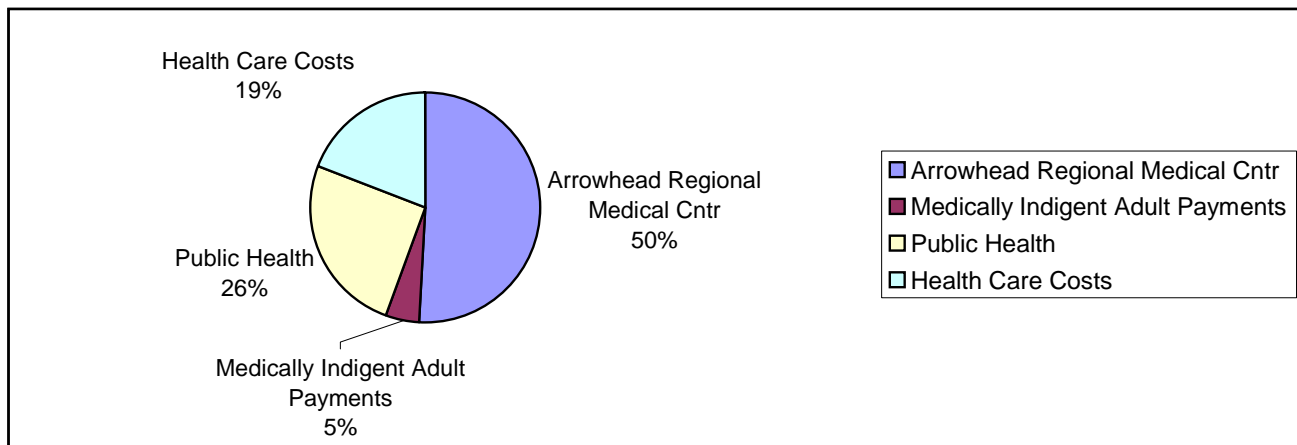
Health realignment revenue is composed of approximately 1/3 sales tax and 2/3 VLF. Within Health, departmental usage have been brought into line with ongoing revenue by not providing realignment increases to pay for rising salary and benefit costs. As a result, the departments have effectively experienced a budget cut due to inflation and the rising costs associated with salaries and benefits. The slight increase in realignment usage in 2004-05 for Public Health reflects a backfill of lost SB 90 revenue from the state, and is for cash flow purposes until the state provides reimbursement.

Other programs funded by Health realignment are Medically Indigent Adult (MIA) Payments and Health Care Costs. The MIA budget funds payments to non-county hospitals for treatment of MIA patients. The Health Care Costs budget unit helps pay for the ARMC debt service.

The 2003-04 actual department usage for ARMC is significantly lower than budgeted as ARMC experienced a better financial position than anticipated, due to its cancellation of third party agreements, improved collections, and increased patient volume.

<b>Breakdown of Department Usage of Health Realignment</b>
------------------------------------------------------------

	<b>ACTUAL 2002-03</b>	<b>BUDGET 2003-04</b>	<b>ACTUAL 2003-04</b>	<b>FINAL 2004-05</b>
Arrowhead Regional Medical Cntr	28,232,816	28,000,000	13,933,600	28,000,000
Medically Indigent Adult Payments	1,252,689	2,550,000	2,550,000	2,550,000
Public Health	13,693,643	13,908,689	13,726,094	14,078,852
Health Care Costs	4,907,071	10,309,432	10,236,499	10,489,410
Total Department Usage	48,086,219	54,768,121	40,446,193	55,118,262



**Budgetary Note:** Financial information presented in this Realignment budget section is consistent with state reporting requirements for the Realignment funds. The state's reporting requirements are not consistent with the county's implementation of GASB 34 as it relates to

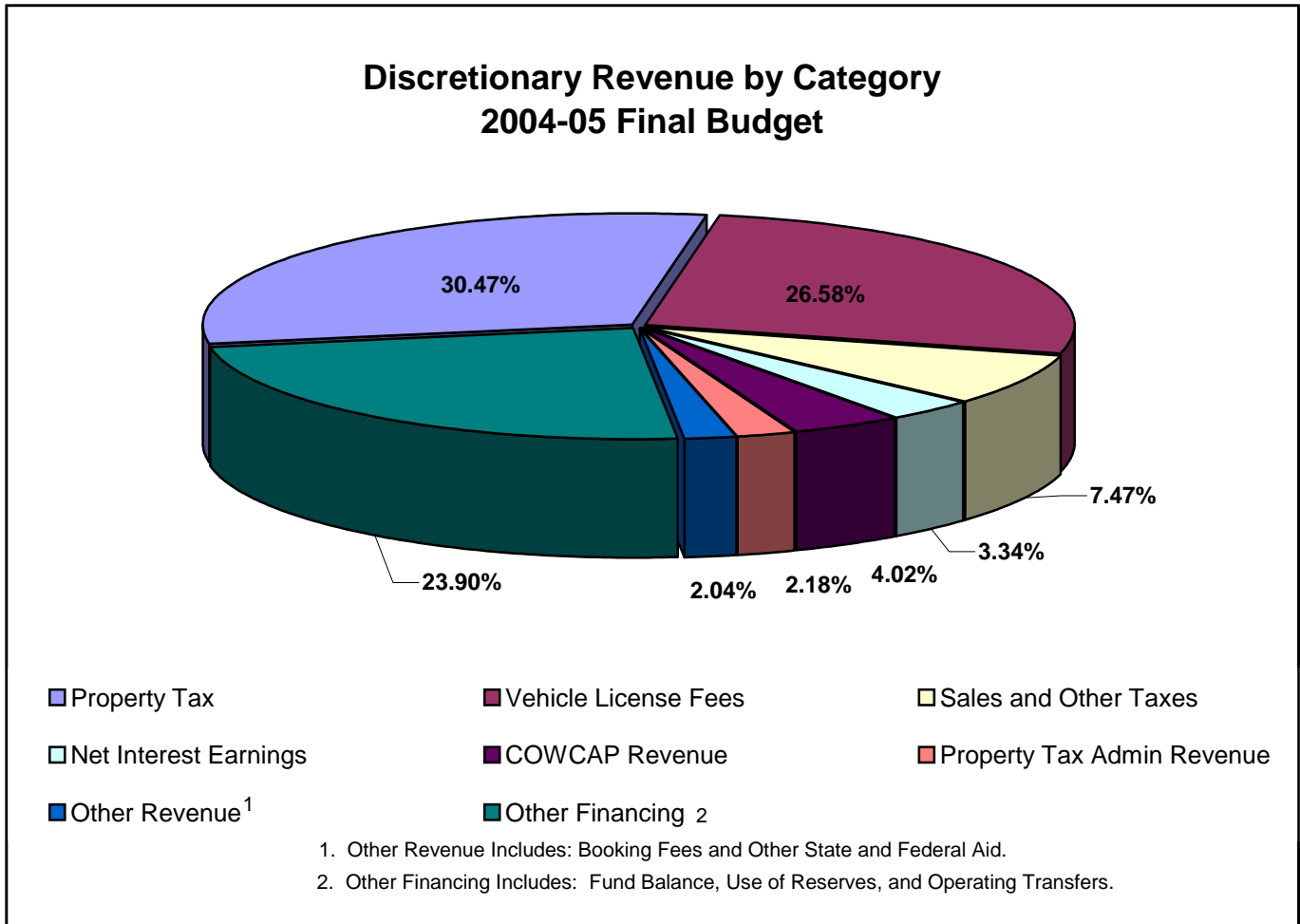


revenue accrual. As such, within the county's accounting system, an adjustment will be made to show the correct revenues in accordance with the county's accrual procedures. This is a revenue timing issue only as a result of delays by the state in distributing growth revenue.



**COUNTYWIDE DISCRETIONARY REVENUE**

Gross local cost financing for 2004-05 is \$489,062,819. Shown below are the sources of local cost financing:





**COUNTYWIDE REVENUES AND OTHER FINANCING  
WHICH PAY FOR GENERAL FUND LOCAL COST**

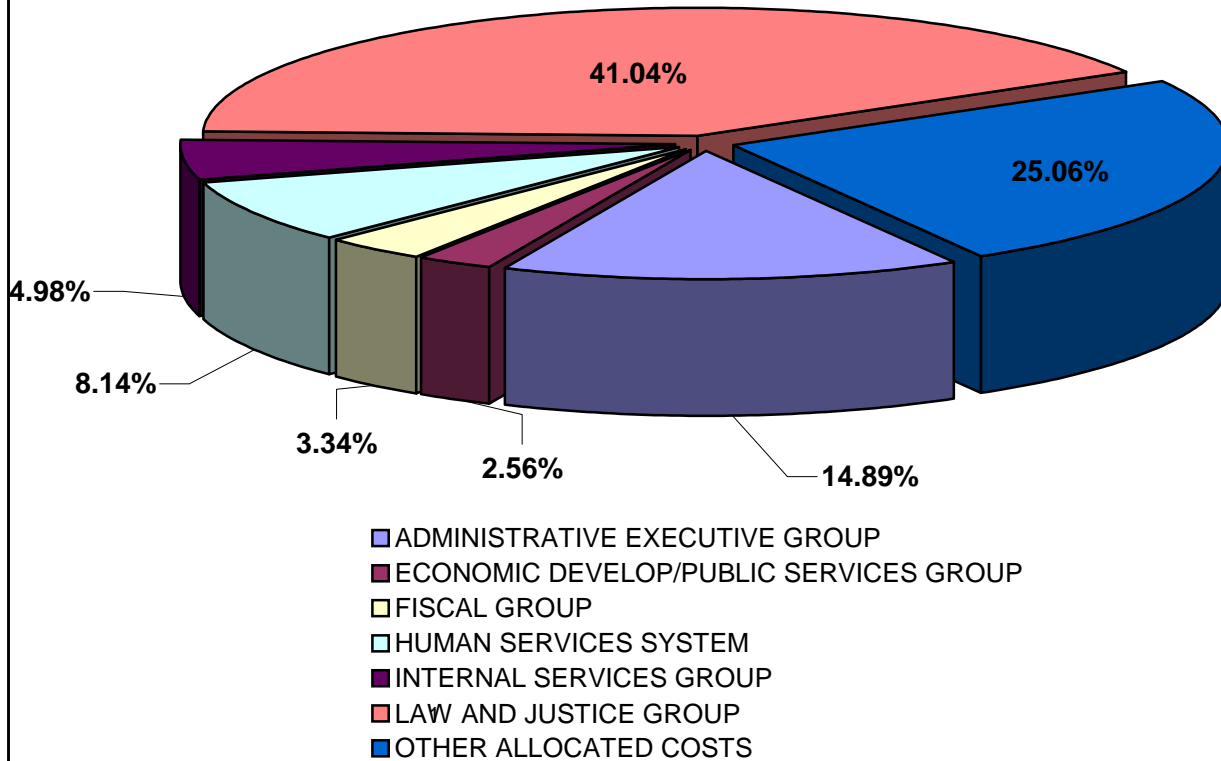
	<b>2003-04 Final Budget</b>	<b>2003-04 Actuals</b>	<b>2004-05 Final Budget</b>
<b>Countywide Revenues</b>			
Property Taxes:			
Current Secured, Unsecured, Unitary	125,905,507	132,022,200	137,207,735
Supplementals	4,885,025	6,102,778	5,275,827
Penalty on Current Taxes	1,135,599	1,862,768	1,135,599
Prior Property Taxes, Penalties and Interest	5,366,233	6,337,896	5,366,233
Total Property Taxes	137,292,364	146,325,642	148,985,394
Vehicle License Fees	124,974,967	94,583,162	129,971,160
Sales and Other Taxes	31,429,066	34,923,247	36,533,790
Net Interest Earnings	14,600,000	18,901,705	16,351,000
COWCAP Revenue	20,847,838	20,847,792	19,661,157
Property Tax Admin Revenue	9,395,173	9,032,344	10,651,703
Booking Fee Revenue	3,937,000	5,050,623	3,937,000
Other State and Federal Aid	3,329,275	3,546,541	3,619,799
Other Revenue	2,430,000	3,448,182	2,430,000
<b>Subtotal of Countywide Revenues</b>	348,235,683	336,659,239	372,141,003
<b>Other Financing</b>			
Fund Balance, beginning	55,946,725	55,946,725	88,029,109
Use of Reserves	1,160,949	9,678,823	1,154,301
Operating Transfers	34,740,153	37,937,033	27,738,406
<b>Subtotal of Other Financing</b>	91,847,827	103,562,581	116,921,816
<b>TOTAL</b>	440,083,510	440,221,820	489,062,819

The most significant sources of county local cost financing are property tax and vehicle license fees. These two sources account for \$278,956,554 or 75.0% of countywide revenues. Year-end fund balance available for financing is \$88.0 million. Operating transfers includes transfers into the county general fund from the Courthouse and Criminal Justice Construction funds, Solid Waste Management, and the use of \$18.6 million of the tobacco settlement funds, of which \$15.0 million is to be applied towards the Arrowhead Regional Medical Center Debt Service.



## Local Cost Analysis

**Local Cost by Group  
2004-05 Final Budget**



1. Allocated Costs Include: Contingencies, Reserve Contributions, and Operating Transfers Out.

Countywide discretionary revenues are allocated to various county departments as local cost. The above pie chart shows what percentage of the local cost is allocated to each of the groups.

The schedule on the following pages shows a comparison of prior year local cost and current year local cost by department. This schedule also includes appropriations and revenues, including operating transfers, which are mechanisms to move financing between the various county budget units. Operating transfers are presented in the following chart because the intended purpose is to provide a complete picture of the department's appropriation and revenues. Operating transfers are excluded from the countywide appropriation and revenue summaries presented in the beginning of this section, as their inclusion would overstate countywide appropriations and revenues on a consolidated basis.



Department Title	Final Budget 2003-04:			Final Budget 2004-05:			Change Between Final 2003-04 & Final 2004-05:		
	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost
BOARD OF SUPERVISORS (ALL DISTRICTS)	3,812,528	0	3,812,528	3,583,001	0	3,583,001	(229,527)	0	(229,527)
LEGISLATIVE COSTS	474,914	0	474,914	439,898	0	439,898	(35,016)	0	(35,016)
CLERK OF THE BOARD	912,389	62,500	849,889	931,404	66,500	864,904	19,015	4,000	15,015
COUNTY ADMINISTRATIVE OFFICE	3,466,745	0	3,466,745	3,232,502	0	3,232,502	(234,243)	0	(234,243)
COUNTY ADMINISTRATIVE OFFICE-LITIGATION	400,000	0	400,000	363,681	0	363,681	(36,319)	0	(36,319)
COUNTY ADMINISTRATIVE OFFICE-JOINT POWERS LEASES	20,467,787	0	20,467,787	22,537,293	0	22,537,293	2,069,506	0	2,069,506
COUNTY COUNSEL	7,102,029	3,777,460	3,324,569	8,577,085	5,256,611	3,320,474	1,475,056	1,479,151	(4,095)
HUMAN RESOURCES	8,157,864	3,103,566	5,054,298	5,380,631	302,500	5,078,131	(2,777,233)	(2,801,066)	23,833
HUMAN RESOURCES-EMPLOYEE HEALTH AND WELLNESS	30,000	30,000	0	35,000	35,000	0	5,000	5,000	0
HUMAN RESOURCES-UNEMPLOYMENT INSURANCE	2,700,000	0	2,700,000	4,000,000	0	4,000,000	1,300,000	0	1,300,000
INFORMATION SERVICES-EMERGING TECHNOLOGY	1,593,869	274,900	1,318,969	1,447,618	245,320	1,202,298	(146,251)	(29,580)	(116,671)
INFORMATION SERVICES-SYSTEMS DEVELOPMENT	10,136,609	4,480,501	5,656,108	9,342,373	3,755,256	5,587,117	(794,236)	(725,245)	(68,991)
HEALTH CARE COSTS	135,628,083	120,628,083	15,000,000	135,812,669	120,812,669	15,000,000	184,586	184,586	0
BEHAVIORAL HEALTH	121,296,698	119,453,945	1,842,753	114,699,507	112,856,754	1,842,753	(6,597,191)	(6,597,191)	0
BEHAVIORAL HEALTH-OADP	20,063,339	19,913,881	149,458	20,577,850	20,428,392	149,458	514,511	514,511	0
PUBLIC HEALTH	73,611,885	72,967,163	644,722	76,224,425	75,572,315	652,110	2,612,540	2,605,152	7,388
CALIFORNIA CHILDREN'S SERVICES	10,723,433	9,185,392	1,538,041	12,713,007	11,174,966	1,538,041	1,989,574	1,989,574	0
AMBULANCE REIMBURSEMENTS	472,501	0	472,501	472,501	0	472,501	0	0	0
LOCAL AGENCY FORMATION COMMISSION	173,400	0	173,400	154,000	0	154,000	(19,400)	0	(19,400)
COUNTY SCHOOLS	2,850,040	0	2,850,040	2,775,264	0	2,775,264	(74,776)	0	(74,776)
<b>ADMINISTRATIVE/EXECUTIVE GROUP SUBTOTAL:</b>	<b>424,074,113</b>	<b>353,877,391</b>	<b>70,196,722</b>	<b>423,299,709</b>	<b>350,506,283</b>	<b>72,793,426</b>	<b>(774,404)</b>	<b>(3,371,108)</b>	<b>2,596,704</b>
ASSESSOR	10,986,443	363,210	10,623,233	12,518,341	658,412	11,859,929	1,531,898	295,202	1,236,696
AUDITOR-CONTROLLER	12,494,542	9,689,972	2,804,570	14,647,191	12,486,168	2,161,023	2,152,649	2,796,196	(643,547)
TREASURER-TAX COLLECTOR	14,759,934	13,089,868	1,670,066	16,605,989	14,296,283	2,309,706	1,846,055	1,206,415	639,640
<b>FISCAL GROUP SUBTOTAL:</b>	<b>38,240,919</b>	<b>23,143,050</b>	<b>15,097,869</b>	<b>43,771,521</b>	<b>27,440,863</b>	<b>16,330,658</b>	<b>5,530,602</b>	<b>4,297,813</b>	<b>1,232,789</b>
ARCHITECTURE AND ENGINEERING	634,174	0	634,174	566,758	0	566,758	(67,416)	0	(67,416)
FACILITIES MANAGEMENT DEPARTMENT	12,110,568	5,645,888	6,464,680	11,813,001	5,572,292	6,240,709	(297,567)	(73,596)	(223,971)
UTILITIES	15,730,303	0	15,730,303	15,647,049	0	15,647,049	(83,254)	0	(83,254)
PURCHASING	1,112,209	10,000	1,102,209	1,073,018	35,000	1,038,018	(39,191)	25,000	(64,191)
REAL ESTATE SERVICES	2,142,465	1,547,050	595,415	2,213,960	1,549,650	664,310	71,495	2,600	68,895
RENTS	571,138	323,000	248,138	208,652	0	208,652	(362,486)	(323,000)	(39,486)
<b>INTERNAL SERVICES GROUP SUBTOTAL:</b>	<b>32,300,857</b>	<b>7,525,938</b>	<b>24,774,919</b>	<b>31,522,438</b>	<b>7,156,942</b>	<b>24,365,496</b>	<b>(778,419)</b>	<b>(368,996)</b>	<b>(409,423)</b>
COUNTY TRIAL COURTS-DRUG COURT	358,096	358,096	0	491,957	491,957	0	133,861	133,861	0
GRAND JURY	201,460	0	201,460	204,359	0	204,359	2,899	0	2,899
COUNTY TRIAL COURTS- INDIGENT DEFENSE	9,219,969	0	9,219,969	8,704,969	0	8,704,969	(515,000)	0	(515,000)
COUNTY TRIAL COURTS-JUDICIAL BENEFITS/FAC COSTS	1,873,598	0	1,873,598	2,034,597	0	2,034,597	160,999	0	160,999
COUNTY TRIAL COURTS-MAINTENANCE OF EFFORT	34,090,295	23,721,081	10,369,214	35,725,112	25,098,622	10,626,490	1,634,817	1,377,541	257,276
DISTRICT ATTORNEY-CRIMINAL	37,083,842	21,353,905	15,729,937	38,899,528	23,481,734	15,417,794	1,815,686	2,127,829	(312,143)
DISTRICT ATTORNEY-CHILD ABDUCT	773,000	0	773,000	807,087	0	807,087	34,087	0	34,087
LAW & JUSTICE ADMINISTRATION	115,587	49,000	66,587	127,740	5,000	122,740	12,153	(44,000)	56,153
PROBATION-ADMIN/COMM CORRECTIONS	33,879,650	20,846,422	13,033,228	35,876,996	22,884,596	12,992,400	1,997,346	2,038,174	(40,828)
PROBATION-COURT ORDERED PLACEMENTS	7,382,883	0	7,382,883	5,382,883	0	5,382,883	(2,000,000)	0	(2,000,000)
PROBATION-DETENTION CORRECTIONS	42,043,813	16,003,119	26,040,694	44,827,870	13,366,748	31,461,122	2,784,057	(2,636,371)	5,420,428
PROBATION-PRETRIAL DETENTION	512,610	0	512,610	0	0	0	(512,610)	0	(512,610)
PROBATION-AB 1913 GRANT	260,781	260,781	0	0	0	0	(260,781)	(260,781)	0
PUB ADMIN/PUB GUARDIAN/CONSERVATOR/CORONER	5,468,851	1,259,556	4,209,295	5,509,433	1,147,521	4,361,912	40,582	(112,035)	152,617
PUBLIC DEFENDER	19,718,736	500,000	19,218,736	20,358,388	250,000	20,108,388	639,652	(250,000)	889,652
SHERIFF	257,886,910	170,859,153	87,027,757	280,605,166	192,124,726	88,480,440	22,718,256	21,265,573	1,452,683
<b>LAW AND JUSTICE GROUP SUBTOTAL:</b>	<b>450,870,081</b>	<b>255,211,113</b>	<b>195,658,968</b>	<b>479,556,085</b>	<b>278,850,904</b>	<b>200,705,181</b>	<b>28,686,004</b>	<b>23,639,791</b>	<b>5,046,213</b>



Department Title	Final Budget 2003-04:			Final Budget 2004-05:			Change Between Final 2003-04 & Final 2004-05:		
	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost	Appropriation	Revenue	Local Cost
ECON DEV/PUBLIC SERVICES GROUP ADMINISTRATION	65,856	0	65,856	59,876	0	59,876	(5,980)	0	(5,980)
AIRPORTS	2,461,753	2,422,940	38,813	2,503,423	2,468,134	35,289	41,670	45,194	(3,524)
AGRICULTURE, WEIGHTS AND MEASURES	5,195,346	3,433,055	1,762,291	5,301,606	3,552,266	1,749,340	106,260	119,211	(12,951)
MUSEUMS	3,844,442	2,231,590	1,612,852	3,829,730	2,315,417	1,514,313	(14,712)	83,827	(98,539)
ECD-ECONOMIC PROMOTION	780,751	0	780,751	991,122	0	991,122	210,371	0	210,371
ECD-SMALL BUSINESS DEVELOPMENT	200,107	40,000	160,107	156,214	0	156,214	(43,893)	(40,000)	(3,893)
LAND USE SERVICES - CURRENT PLANNING	2,292,380	2,292,380	0	2,461,076	2,461,076	0	168,696	168,696	0
LAND USE SERVICES-ADVANCED PLANNING	3,395,955	2,142,113	1,253,842	3,387,890	2,263,881	1,124,009	(8,065)	121,768	(129,833)
LAND USE SERVICES-BUILDING AND SAFETY	5,629,926	5,629,926	0	7,387,219	7,387,219	0	1,757,293	1,757,293	0
LAND USE SERVICES-CODE ENFORCEMENT	2,960,413	408,200	2,552,213	3,027,404	582,690	2,444,714	66,991	174,480	(107,499)
LAND USE SERVICES-FIRE HAZARD ABATEMENT	1,951,692	1,951,692	0	2,169,641	2,169,641	0	217,949	217,949	0
PUBLIC WORKS-REGIONAL PARKS	6,766,471	5,812,110	954,361	7,521,062	6,129,148	1,391,914	754,591	317,038	437,553
PUBLIC WORKS-SURVEYOR	3,310,588	3,310,588	0	3,613,235	3,563,358	49,877	302,647	252,770	49,877
REGISTRAR OF VOTERS	4,484,686	1,744,134	2,740,552	3,416,632	740,744	2,675,888	(1,068,054)	(1,003,390)	(64,664)
FRANCHISE ADMINISTRATION	298,177	0	298,177	311,701	0	311,701	13,524	0	13,524
<b>ECON DEVELOP/PUBLIC SERVICES SUBTOTAL:</b>	<b>43,638,543</b>	<b>31,418,728</b>	<b>12,219,815</b>	<b>46,137,831</b>	<b>33,633,574</b>	<b>12,504,257</b>	<b>2,499,288</b>	<b>2,214,846</b>	<b>284,442</b>
AGING AND ADULT SERVICES	8,147,202	8,147,202	0	8,184,557	8,184,557	0	37,355	37,355	0
CHILD SUPPORT SERVICES	39,889,326	39,889,326	0	41,478,447	38,694,021	2,784,426	1,589,121	(1,195,305)	2,784,426
ADMINISTRATIVE CLAIM	297,664,713	286,197,963	11,466,750	323,382,345	310,052,303	13,330,042	25,717,632	23,854,340	1,863,292
CHILD ABUSE / DOMESTIC VIOLENCE	1,380,611	1,380,611	0	1,411,699	1,411,699	0	31,088	31,088	0
ENTITLEMENT PAYMENTS (CHILD CARE)	93,919,917	93,919,917	0	82,397,695	82,397,695	0	(11,522,222)	(11,522,222)	0
CHILDRENS OUT OF HOME CARE	338,164	0	338,164	367,618	0	367,618	29,454	0	29,454
AID TO ADOPTIVE CHILDREN	17,152,146	15,946,603	1,205,543	25,193,425	23,987,882	1,205,543	8,041,279	8,041,279	0
AFDC-FOSTER CARE	97,635,819	83,857,781	13,778,038	100,802,968	87,328,206	13,474,762	3,167,149	3,470,425	(303,276)
REFUGEE CASH ASSISTANCE	520,000	520,000	0	100,000	100,000	0	(420,000)	(420,000)	0
CASH ASSISTANCE - IMMIGRANTS	1,053,030	1,053,030	0	1,053,030	1,053,030	0	0	0	0
CALWORKS-FAMILY GROUP	196,553,943	192,123,884	4,430,059	196,029,188	191,128,458	4,900,730	(524,755)	(995,426)	470,671
KIN-GAP PROGRAM	3,351,569	2,795,803	555,766	4,556,185	3,793,024	763,161	1,204,616	997,221	207,395
AID FOR SERIOUSLY EMOTIONALLY DISTURBED	3,345,010	2,613,701	731,309	3,794,651	3,063,342	731,309	449,641	449,641	0
CALWORKS-2 PARENT FAMILIES	18,846,462	18,408,416	438,046	15,072,908	14,694,577	378,331	(3,773,554)	(3,713,839)	(59,715)
AID TO INDIGENTS	1,275,123	330,986	944,137	1,361,560	342,470	1,019,090	86,437	11,484	74,953
VETERANS AFFAIRS	1,130,068	257,018	873,050	1,145,928	299,667	846,261	15,860	42,649	(26,789)
<b>HUMAN SERVICES SYSTEM SUBTOTAL:</b>	<b>782,203,103</b>	<b>747,442,241</b>	<b>34,760,862</b>	<b>806,332,204</b>	<b>766,530,931</b>	<b>39,801,273</b>	<b>24,129,101</b>	<b>19,088,690</b>	<b>5,040,411</b>
<b>SUBTOTAL:</b>	<b>1,771,327,616</b>	<b>1,418,618,461</b>	<b>352,709,155</b>	<b>1,830,619,788</b>	<b>1,464,119,497</b>	<b>366,500,291</b>	<b>59,292,172</b>	<b>45,501,036</b>	<b>13,791,136</b>
CONTINGENCIES	70,572,366	0	70,572,366	109,326,898	0	109,326,898	38,754,532	0	38,754,532
RESERVE CONTRIBUTIONS	8,887,258	0	8,887,258	3,390,532	0	3,390,532	(5,496,726)	0	(5,496,726)
OPERATING TRANSFERS OUT	7,914,731	0	7,914,731	9,845,098	0	9,845,098	1,930,367	0	1,930,367
<b>TOTAL ALLOCATED COSTS:</b>	<b>87,374,355</b>	<b>0</b>	<b>87,374,355</b>	<b>122,562,528</b>	<b>0</b>	<b>122,562,528</b>	<b>35,188,173</b>	<b>0</b>	<b>35,188,173</b>
<b>GRAND TOTAL:</b>	<b>1,858,701,971</b>	<b>1,418,618,461</b>	<b>440,083,510</b>	<b>1,953,182,316</b>	<b>1,464,119,497</b>	<b>489,062,819</b>	<b>94,480,345</b>	<b>45,501,036</b>	<b>48,979,309</b>

**RESERVES**

The county has a number of reserves and designations that have been established over the years for a variety of purposes. On January 6, 1998, the Board of Supervisors adopted a county policy to provide guidelines and goals for reserve levels. That policy calls for the county's general purpose reserves to equal 10% of locally funded appropriations. It also anticipates establishing special purpose reserves to help meet future needs.

	Year End Actual Balance					Budget
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Total General Purpose Reserve</b>	<b>27.4</b>	<b>27.4</b>	<b>30.2</b>	<b>31.9</b>	<b>34.8</b>	<b>37.2</b>
Specific Purpose Reserves						
Medical Center debt service	34.3	32.0	32.0	32.1	32.1	32.1
Justice facilities reserve	11.7	5.2	5.0	4.9	3.7	2.7
Juvenile maximum security reserve	1.2	1.5	1.5	1.5	1.5	1.5
Future retirement rate increase reserve	1.5	1.5	1.5	7.0	7.0	7.0
Equity Pool				1.9	4.4	4.2
Teeter			19.3	19.3	19.3	19.3
Restitution			8.9	2.1	2.1	2.1
Insurance				5.0	3.0	3.0
Electronic Voting System				5.7	-	-
Capital Projects Reserve				4.0	4.0	4.0
Bark Beetle				-	1.8	1.8
Museum's Hall of Paleontology					0.9	1.9
L&J Southwest Border Prosecution Initiative					3.4	3.4
<b>Total Specific Purpose Reserves</b>	<b>48.7</b>	<b>40.2</b>	<b>68.2</b>	<b>83.5</b>	<b>83.2</b>	<b>83.0</b>
<b>Total Reserves</b>	<b>76.1</b>	<b>67.6</b>	<b>98.4</b>	<b>115.4</b>	<b>118.0</b>	<b>120.2</b>

The County has several reserves. Some are for specific purposes, such as to meet future known obligations or to build a reserve for capital projects. The general reserves are funds held to protect the County from unforeseen increases in expenditures or reductions in revenues, or other extraordinary events, which would harm the fiscal health of the County.

For 2004-05, general-purpose reserves are increased \$2.4 million. The Museum Hall of Paleontology Reserve is increased by \$1.0 million. Uses of \$154,301 of the Equity Pool reserve are planned to fund the 2004-05 costs of approved equity adjustments. A planned use of \$1.0 million of the Justice Facilities reserve will be used to offset a portion of the cost of the most recent approved safety MOU.

